Annual Report
2000

Maybank

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Mission

The leading provider of financial services meeting the different needs of our targeted customers through an efficient and integrated Group

Notice Of The 40th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 40th Annual General Meeting (AGM) of the Shareholders of Malayan Banking Berhad (3813-K) (Maybank) will be held at Tun Dr Ismail Hall (Hall 2), Level 2, Putra World Trade Centre, 41 Jalan Tun Ismail, 50480 Kuala Lumpur on Saturday, October 28, 2000 at 11.30 a.m. for the purpose of transacting the following Business :-

AS ORDINARY BUSINESS

1. To receive the Reports of the Directors and Auditors and the Statutory Financial Statements for the Year ended June 30, 2000. **Resolution 1**

2. To declare a final dividend of 13.0 sen per share less 28% income tax as recommended by the Board. **Resolution 2**

3. To re-elect the following directors who are retiring by rotation in accordance with Article 96 of the Articles of Association of Maybank and being eligible have offered themselves for re-election:-

   i) Raja Tan Sri Muhamad Alias bin Raja Muhd. Ali **Resolution 3**
   ii) Dato' Ismail Shahudin **Resolution 4**

4. To re-elect Datuk Abdul Rahman bin Mohd Ramli who is retiring in accordance with Article 100 of the Articles of Association of Maybank and being eligible has offered himself for re-election. **Resolution 5**

5. To consider and if thought fit, pass the following Resolution in accordance with Section 129 (6) of the Companies Act, 1965:-

   "That Dato' Richard Ho Ung Hun retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby re-appointed a director of the Company to hold office until the next Annual General Meeting." **Resolution 6**

6. To appoint Auditors and to authorise the Directors to fix their remuneration.

   Notice of Nomination from a shareholder, pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is set out on page 126 in this Annual Report and marked "Annexure A", has been received by the Company for the nomination of Messrs Arthur Andersen & Co., (who have given their consent to act), for appointment as Auditors of the Company in place of the retiring Auditors and of its intention to propose the following Ordinary Resolution:-

   "That Messrs Arthur Andersen & Co., having consented, be and are hereby appointed External Auditors of the Company in place of the retiring Auditors, Messrs Salleh, Leong, Azlan & Co., to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration." **Resolution 7**

AS SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following Ordinary Resolution:-

   "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and they are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10 per centum of the issued share capital of the Company for the time being, subject always to the approvals of all the relevant Regulatory Authorities being obtained for such issue and allotment." **Resolution 8**

By Order of the Board,

Datin Shafni Ahmad Ramli
LS01058
Company Secretary

Kuala Lumpur
October 10, 2000

Notes

1. A Member entitled to attend and vote at the 40th AGM is entitled to appoint a proxy to attend and, on a show of hands or on a poll, to vote instead of him. A proxy shall be a Member of the Company, an Advocate, an approved Company Auditor or a person approved by the Registrar of Companies.

2. Form of Proxy of a corporation shall be given under its Common Seal.

3. Duly completed Form of Proxy must be deposited at 14th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, not less than forty-eight (48) hours before the time fixed for the AGM. In view of the fact that October 26, 2000 is a public holiday, the last day for lodgement of the Form of Proxy will be Wednesday, October 25, 2000, at 5.15 p.m.

4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

5. For scripless, only members registered in the Record of Depositors on or before 12.30 p.m. on October 24, 2000 shall be eligible to attend the AGM.

Note On Special Business

The proposed Ordinary Resolution 8 if passed, is to give the Directors of the Company flexibility to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority will expire at the next AGM of the Company.

Closure of Books

Subject to the approvals of the shareholders at the 40th AGM, a final dividend of 13.0 sen per share less 28% income tax will be paid on November 22, 2000 to shareholders registered in the Register of Members at the close of business on November 2, 2000.

Notice is hereby given that the Register of Members will be closed from November 3, 2000 to November 4, 2000, for the determination of shareholders' entitlements to the final dividend.

A Depositor shall qualify for the entitlements to the final dividend only in respect of:-

a. Shares transferred to the Depositors' Securities Accounts in respect of ordinary transfers before 12.30 p.m. on November 2, 2000.

b. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

Financial Highlights

Results (RM Million)	The Bank 2000	The Bank 1999	The Group 2000	The Group 1999
Net interest income	**2,563**	2,451	3,797	3,460
Net income	**3,509**	3,443	5,249	4,720
Operating profit (before provisions)	**2,394**	2,447	3,655	3,283
Profit before taxation	**1,544**	869	2,137	1,011
Profit after taxation and minority interest	**1,021**	810	1,360	970
Dividends	**304**	199	304	199
Selected Balance Sheet Items (RM Million)				
Cash and short-term funds	**13,039**	9,244	16,195	10,193
Dealing and investment securities	**11,568**	11,115	19,401	20,390
Loans and advances	**61,606**	57,489	79,826	76,301
Total assets	**97,057**	87,592	127,322	117,479
Deposits from customers	**60,260**	57,581	81,867	77,551
Total liabilities	**88,304**	79,695	116,696	108,014
Shareholders' funds	**8,753**	7,897	10,360	9,217
Commitment and contingencies	**53,671**	60,599	62,670	68,384
Capital Adequacy Ratios (%)				
Core capital ratio	**12.48**	12.03	10.96	10.21
Risk-weighted capital ratio	**14.60**	14.74	15.16	14.81
Financial Ratios (%)				
Net income per ordinary share (RM)	**1.50**	1.49	2.24	2.04
Net return on average shareholders' funds	**12.26**	10.71	13.89	11.01
Net return on average assets	**1.11**	0.93	1.11	0.84
Loans and advances to deposits	**102.23**	99.84	97.51	98.39
Share Information				
Number of ordinary shares in issue ('000)	**2,337,975**	2,308,661	2,337,975	2,308,661
Earnings per share*				
- Basic	**43.8 sen**	35.3 sen	58.4 sen	42.3 sen
- Fully diluted	**43.1 sen**	34.9 sen	57.4 sen	41.8 sen
Dividend rate	**18.00%**	12.00%	18.00%	12.00%
Dividend cover	**3.36**	4.07	4.47	4.87

* computed in accordance with MASB Standard 13

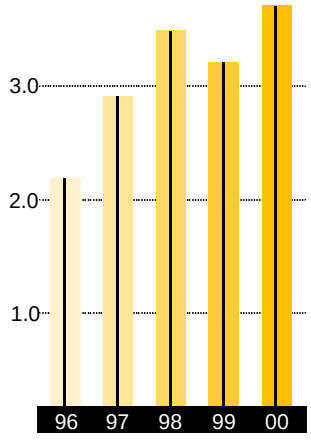
5 Year Group Financial Summary

(RM Million)	2000	1999	1998	1997	1996
Results					
Operating profit (before provisions)	**3,655**	3,283	3,460	2,868	2,259
Profit before taxation	**2,137**	1,011	553	3,865	1,801
Profit after taxation and minority interest	**1,360**	970	130	2,981	1,075
Assets					
Total assets	**127,322**	117,479	114,514	110,438	94,203
Loans and advances	**79,826**	76,301	77,852	64,742	56,463
Liabilities and Shareholders' Funds					
Deposits from customers	**81,867**	77,551	70,025	65,101	59,317
Paid-up share capital	**2,338**	2,308	2,286	1,143	1,143
Shareholders' funds	**10,360**	9,217	8,407	8,273	5,601

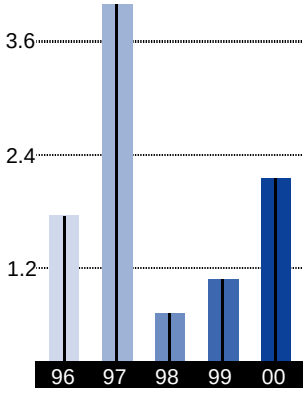
	2000	1999	1998	1997	1996
Financial ratios (%)					
Net return on average shareholders' funds	**13.89**	11.01	1.56	42.97	20.87
Net return on average assets	**1.11**	0.84	0.11	2.91	1.22
Loans and advances to deposits	**97.51**	93.39	111.18	99.45	95.19
Share Information					
Basic earnings per share	**58 sen*+**	42 sen*+	6 sen*	261 sen	94 sen
Net tangible assets backing per share	**RM 4.43***	RM 3.99*	RM 3.67*	RM 7.23	RM 4.90
Dividend rate	**18.00%**	12.00%	15.00%	24.00%	22.00%
Dividend cover	**4.47**	4.87	1.05	15.53	6.10

* based on enlarged capital after 1:1 bonus issue in 1998

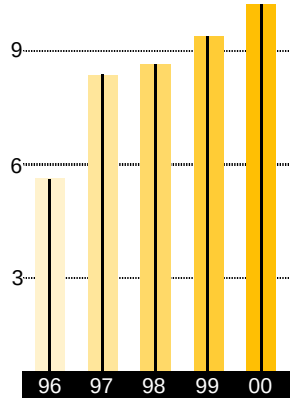
+ computed in accordance with MASB Standard 13



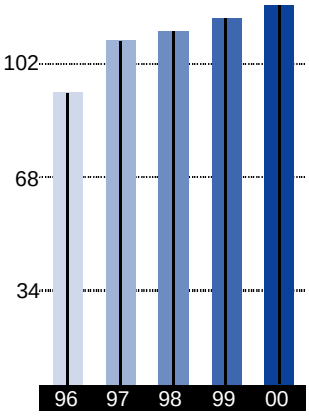
Operating Profit (before provisions)
(RM Billion)



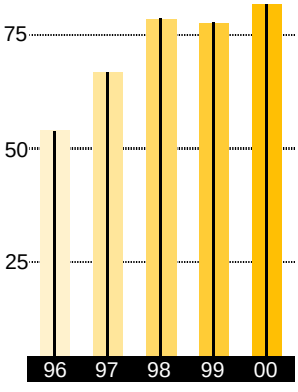
Profit Before Taxation
(RM Billion)



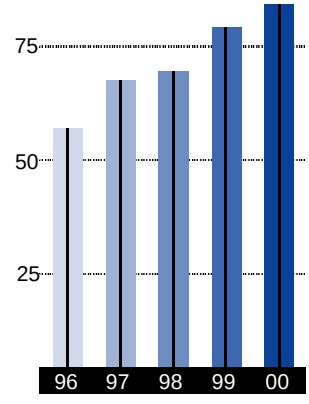
Shareholders' Funds
(RM Billion)



Total Assets
(RM Billion)



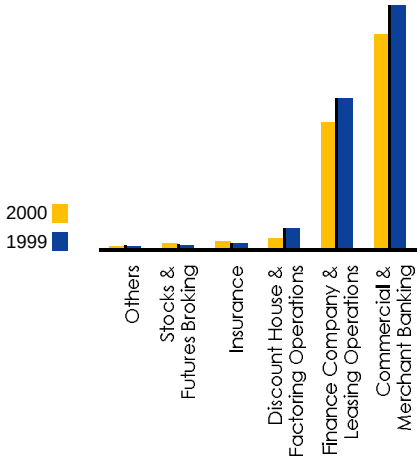
Loans
(RM Billion)



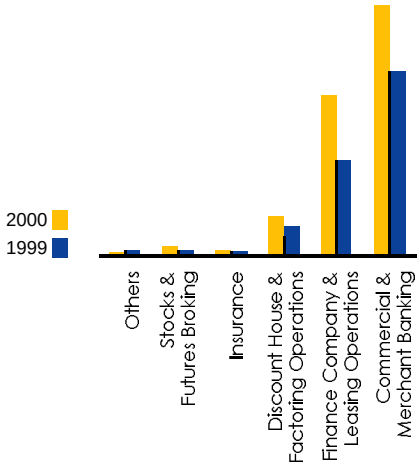
Deposits
(RM Billion)

Segment Information

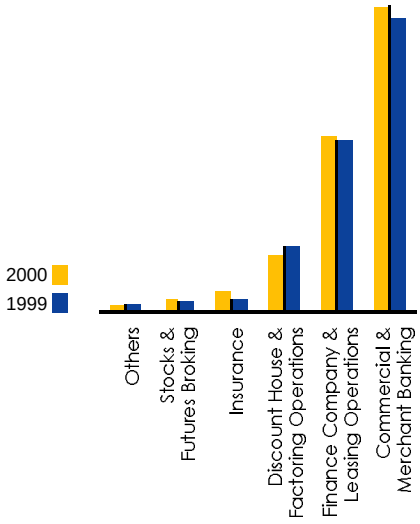
Analysis By Activity



Operating Revenue (RM'000)	2000	1999
Commercial and Merchant Banking	**6,823,614**	8,156,435
Finance Company and Leasing Operations	**1,981,066**	2,571,101
Discount House and Factoring Operations	**171,023**	347,247
Insurance	**183,386**	157,081
Stocks and Futures Broking	**132,511**	63,663
Others	**42,340**	43,631



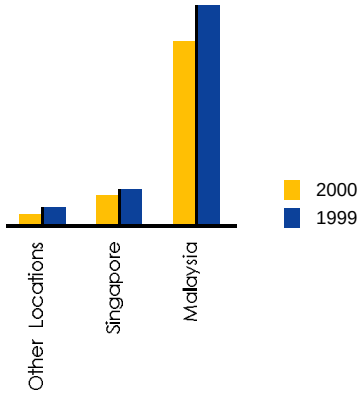
Profit Before Taxation (RM'000)	2000	1999
Commercial and Merchant Banking	**1,412,854**	495,321
Finance Company and Leasing Operations	**422,526**	259,517
Discount House and Factoring Operations	**114,118**	94,873
Insurance	**60,103**	52,032
Stocks and Futures Broking	**81,807**	54,915
Others	**46,080**	54,291



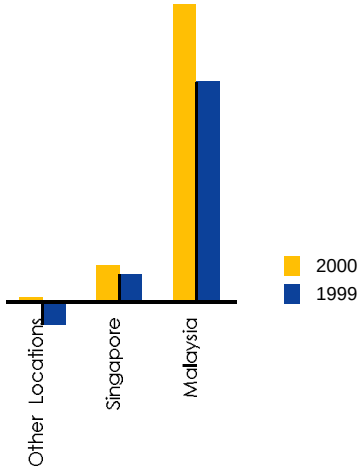
Assets Employed (RM'000)	2000	1999
Commercial and Merchant Banking	**99,404,847**	90,328,379
Finance Company and Leasing Operations	**21,560,097**	21,033,636
Discount House and Factoring Operations	**4,065,430**	4,276,675
Insurance	**1,389,182**	921,639
Stocks and Futures Broking	**538,962**	526,781
Others	**363,890**	391,419

Analysis By Geographical Location

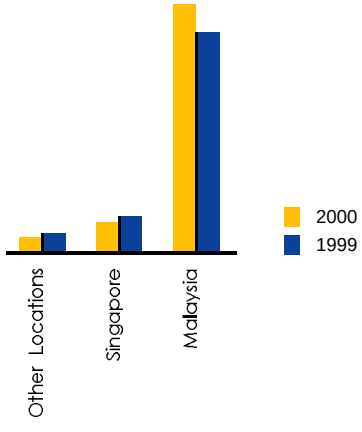
Operating Revenue (RM'000)	2000	1999
Malaysia	**7,919,524**	9,734,055
Singapore	**838,073**	980,458
Other Locations	**576,343**	624,645



Profit Before Taxation (RM'000)	2000	1999
Malaysia	**1,937,165**	996,861
Singapore	**163,050**	124,448
Other Locations	**37,273**	(110,360)



Assets Employed (RM'000)	2000	1999
Malaysia	**110,585,686**	99,589,805
Singapore	**11,485,006**	12,469,417
Other Locations	**5,251,716**	5,419,307



Maybank Awards

Maybank's achievements over the years have been recognised through the various awards received both from within Malaysia and abroad:

1991 : "IT Organisation of the Year" from Association of the Computer Industry Malaysia (PIKOM).

1992 : Asian Institute of Management Award for "Information Technology Management".

1993 : Euromoney Award for Excellence - Best Bank in Malaysia for its impressive profitability and innovation.

1995 : Euromoney Award for Excellence - Best Domestic Bank in Malaysia for its impressive return on equity.

: Asian Institute of Management Awards for "General Management".

1996 : Euromoney Award for Excellence - Best Domestic Bank in Malaysia for increasing profitability and a healthy return on equity.

: Asiamoney Award for being voted one of the Best Managed Companies in Malaysia.

1997 : Asian Banking Digest Award - Winner for outstanding progress in regional expansion.

: Asiamoney Award for the Best Managed Company in Malaysia.

: Asiamoney Award for the Best Bank in Currencies in Malaysia.

: Asiamoney Award for Malaysia's Commercial Bank of the Year.

1998 : Finance Asia Award for Best Domestic Commercial Bank.

: Asiamoney Award for being voted one of the Best Managed Companies in Malaysia.

1999 : Global Finance Award for Best Domestic Bank in Malaysia.

2000 : Euromoney Award for Excellence - Best Domestic Bank in Malaysia.

: The Banker Award for "Bank of the Year" in Malaysia.

“At Maybank, we seek simplicity. Making decisions faster. Being more accountable. Replicating processes throughout the company. The result is greater customer satisfaction and higher shareholder returns.”

“We remain committed to ensuring the sustained growth of the Maybank Group. We will energise our people to pursue the Group’s strategic mission”.

Corporate Information and Board of Directors

Maybank
(Incorporated in Malaysia in 1960)

Registered Office
14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Telephone : 03-2308833
Telex : MA 30438
Facsimile : 03-2302611
Cable : MAYBANK
SWIFT : MBBEMYKLA
Website : http://www.maybank.com.my/maybank
E-mail : maybank@po.jaring.my

Registrar
Maybank
14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Listed On
The Kuala Lumpur Stock Exchange
Main Board on February 17, 1962

Company Secretary
Datin Shafni Ahmad Ramli
28, Jalan SS 3/80
Ladang Seaport
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Auditors
Salleh, Leong, Azlan & Co
Public Accountants

Chairman
1. Tan Sri Mohamed Basir bin Ahmad
P.S.M.,J.S.M., D.P.C.M.

Vice Chairman
2. Dato' Richard Ho Ung Hun
D.P.M.P.

Managing Director
3. Datuk Amirsham A Aziz
P.J.N.

Executive Directors
4. Dato' Mohd Salleh bin Hj. Harun
D.S.D.K.
(resigned with effect from May 16, 2000)

5. Dato' Ismail Shahudin
D.P.C.M, P.M.P.

Members
6. Raja Tan Sri Muhamad Alias bin Raja Muhd. Ali
P.J.K., P.P.T., K.M.N., S.M.P., J.M.N.,
D.P.S.K., D.I.M.P., D.P.J., P.S.M., S.J.J.

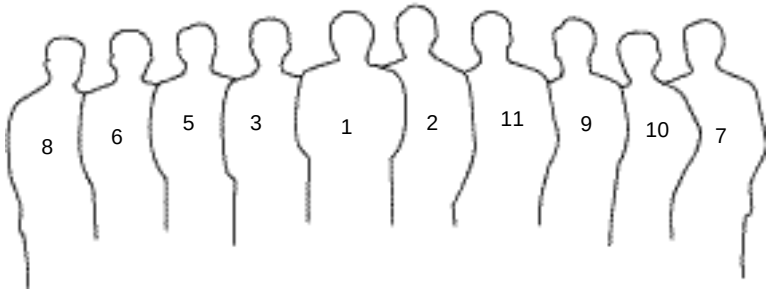
7. Mohammad bin Abdullah

8. Dato' Mohd Hilmey bin Mohd Taib
S.M.P., D.I.M.P.

9. Haji Mohd Hashir bin Haji Abdullah
J.M.N., S.M.S., P.P.T.

10. Teh Soon Poh

11. Datuk Abdul Rahman bin Mohd Ramli
P.J.N.
(appointed on November 17, 1999)



Profile Of Directors

Tan Sri Mohamed Basir bin Ahmad
B.A., AMP (Harvard)
Aged 62, was appointed Chairman of Maybank in 1993. He worked with Bank Negara Malaysia (BNM) from 1965 and retired in 1993 as Adviser. He is a Fellow Member of the Malaysian Institute of Bankers since 1980.

He is also currently the Chairman of Mayban International Trust (Labuan) Bhd, Mayban Ventures Sdn Bhd, Mayban Venture Capital Co. Sdn Bhd, Mayban-JAIC Capital Management Sdn Bhd, Mayban Life Assurance Bhd, Mayban Securities (Holdings) Sdn Bhd, Mayban Securities Sdn Bhd, Mayban Offshore Corporate Services (Labuan) Sdn Bhd, Mayban Property Trust Management Bhd, Maybank (PNG) Ltd, Maybank Philippines Inc., Mayban Assurance Bhd, Aseambankers Malaysia Bhd, Mayban Futures Sdn Bhd, Maybank International (L) Ltd, Maybank Group Welfare Fund, Maybank Education Foundation and President Commissioner of PT Bank Maybank Nusa International, Jakarta.

He is also a Member of the Board of Visa International Asia-Pacific and the Board of Dewan Bahasa dan Pustaka Malaysia.

Dato' Richard Ho Ung Hun
Barrister at Law (Lincoln's Inn)
Aged 73, was appointed Vice-Chairman of Maybank in 1983. He was a member of Parliament from 1969 to 1982. He was appointed as Deputy Minister of Road Transport in 1974 and was subsequently appointed as Deputy Minister of Finance in 1976. In 1978, he was appointed as Minister without Portfolio in the Prime Minister's Dept and subsequently as Minister of Labour and Manpower in the same year.

He is currently the Chairman of Mayban Finance Bhd, Mayban Management Bhd, Aseamlease Bhd, Mayban Trustees Bhd, Aseam Credit Sdn Bhd and Director of Mayban Assurance Bhd, Aseambankers Malaysia Bhd, Mayban International Trust (Labuan) Bhd, Mayban Offshore Corporate Services (Labuan) Sdn Bhd and Maybank International (L) Ltd.

He is also a Director of Pengurusan Danaharta Nasional Berhad.

Datuk Amirsham A Aziz
B.Econs (Hons), Member of MACPA
Aged 50, was appointed Managing Director of Maybank in 1994. He joined the Maybank Group since 1977 and has worked in various capacities within the Group. He is currently a Director of Mayban Finance Bhd, Aseambankers Malaysia Bhd, Mayban Life Assurance Bhd and other public and private companies.

He is also the Chairman of the Association of Banks in Malaysia and Asean Banking Council, Member of the National Economic Action Council and the Second National Economic Consultative Council and a Director of the Institute of Bankers Malaysia.

Raja Tan Sri Muhammad Alias bin Raja Muhd. Ali
B.A (Hons), AMP (Harvard), D.Sc. (Hon), D.Econs (Hon)
Aged 68, was appointed a Director of Maybank in 1978. He is the Group Chairman of Felda and is currently a Director of Mayban Life Assurance Bhd and PT Bank Maybank Nusa International.

Mohammad bin Abdullah
Member of MACPA, Member of MIA
Aged 59, was appointed a Director of Maybank in 1995. He was the Chairman of Coopers & Lybrand Malaysia prior to his retirement in 1995. He is the Chairman of Mayban Discount Bhd and Computer Recovery Centre Sdn Bhd and is currently a Director of Maybank (PNG) Ltd, Mayban Ventures Sdn Bhd, Mayban Securities Sdn Bhd, Mayban Finance Bhd, Maybank International (L) Ltd and Mayban Futures Sdn Bhd.

Dato' Mohd Hilmey bin Mohd Taib
MBA (UK), Member of MIA, Bachelor of Econs (Accounting Hons), Diploma in Accounting
Aged 47, was appointed a Director of Maybank in 1995. He is currently a Director of Maybank Philippines Inc and Mayban Securities Sdn Bhd.

Haji Mohd Hashir bin Haji Abdullah
ACA (Aust), ACIS (UK), CPA (M'sia), FBIM (UK), FCIT (UK), AMP (Harvard)
Aged 64, was appointed a Director of Maybank in 1996. He was the General Manager of Kelang Port Authority prior to his retirement.

He is currently the Chairman of MFSL Ltd, Mayban Life International (Labuan) Ltd and Mayban Investment Management Sdn Bhd and Director of Mayban Management Bhd, Mayban Life Assurance Bhd, Mayban Discount Bhd, Mayban Finance Bhd and Mayban Securities Sdn Bhd.

Dato' Ismail Shahudin
B. Econs (Hons)
Aged 49, was appointed Executive Director of Maybank in 1997. He is also a Director of Aseambankers Malaysia Bhd, Mayban International Trust (Labuan) Bhd, Mayban Assurance Bhd, Mayban Offshore Corporate Services (Labuan) Sdn Bhd, Maybank International (L) Ltd and Maybank Philippines Inc.

Teh Soon Poh
Barrister at Law
Aged 64, was appointed a Director of Maybank in 1997. He is also the Chairman of Malaysian Foreign Currency Clearing House Sdn Bhd and a Director of Mayban Property Trust Management Bhd, Mayban Finance Bhd, Mayban Trustees Bhd, Mayban International Trust (Labuan) Bhd, Mayban Offshore Corporate Services (Labuan) Sdn Bhd, Maybank International (L) Ltd and Maybank Education Foundation.

Datuk Abdul Rahman bin Mohd Ramli
ACA (Aust), Member of MACPA, Member of MIA
Aged 61, was appointed a Director of Maybank in 1999. He was the Group Chief Executive of Golden Hope prior to his retirement in 1999. He is also a Director of Mayban Finance Bhd, Mayban Investment Management Sdn Bhd and Uzbek Leasing International AO.

Audit Committee

MEMBERS

Haji Mohd Hashir bin Haji Abdullah
(Chairman and Independent Non-Executive Director)
(appointed as Chairman with effect from January 28, 2000)

Mohammad bin Abdullah
(Independent Non-Executive Director)
(resigned as Chairman with effect from January 28, 2000)

Teh Soon Poh
(Independent Non-Executive Director)

Dato' Mohd Hilmey bin Mohd Taib
(Non-Executive Director)

Datuk Abdul Rahman bin Mohd Ramli
(Non-Executive Director)
(appointed with effect from November 17, 1999)

TENURE OF MEMBERSHIP

After a reasonable period not to exceed five (5) years unless circumstances require otherwise.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Size and Composition

The Committee shall consist of at least three (3) members but not more than five (5) members, appointed by the Board from amongst the non-executive directors of the Company.

Meetings

Meetings shall be held at least once a month or at a frequency to be decided by the Committee, and the Committee may invite any person to be in attendance to assist in its deliberation.

The Managing Director, Executive Director, the Head of Internal Audit, and a representative of the External Auditors shall normally attend meetings. However, at least once a year, the Committee shall meet with the external auditors without any executive director present.

Upon the request of the Auditors, a meeting is to be convened to consider any matter that the auditors believe should be brought to the attention of the directors or shareholders.

The quorum shall be not less than two (2).

The Company Secretary shall be the Secretary to the Audit Committee.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and all employees shall be directed to co-operate as requested by members of the Committee.

The Committee shall have unlimited access to all information and documents relevant to its activities, to the Internal and External Auditors, and to senior management of the Company and its subsidiaries.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

Specific Duties
The duties of the Audit Committee shall be:-

1. To review Maybank's financial statements prior to submission to the Board, to ensure compliance with disclosure requirements, and the adjustments suggested by the auditors.

2. To review the internal controls, performance and findings of the Internal Auditors and to recommend as well as to ensure the implementation of appropriate remedial and corrective actions regularly.

3. To make recommendations to the Board on the appointment of External Auditors, the audit fee and any questions of resignation or dimissal.

4. To discuss any matters arising from the previous year's audit, to review the scope of the current year's audit, the plans for carrying out the audit, the extent of planned reliance on the work of other independent auditors and the company's own Internal Auditors.

5. To review the changes in statutory requirements, and any significant audit problems that can be foreseen either as a result of the previous year's experience or because of new developments.

6. To review interim financial information and press releases relating to financial matters of importance.

7. To evaluate and review the role of Internal and External Auditors from time to time.

8. To review the Internal Audit Committee Reports.

9. To review any significant related party transactions that may arise within the Company or Group.

10. To review any significant transactions which are not a normal part of the Company's business.

11. To place the Internal Auditors under the direct authority and supervision of the Audit Committee and to evaluate and approve their performance and remuneration package.

12. To recommend changes in Accounting policies to the Board of Directors.

13. To review the assistance given by the company's officers to the auditors.

14. To consider any matter the auditors wish to bring to the attention of directors.

15. Such other responsibilities as may be delegated by the Board from time to time.

“Group services are delivered through shared delivery channels for maximum efficiency and effectiveness”.

Group Management

Managing Director

1. Datuk Amirsham A Aziz

Head, Banking

2. Dato' Ismail Shahudin

Head, International

3. Spencer Lee Tien Chye

Group Financial Controller

4. Hooi Lai Hoong

Head, Investment Banking

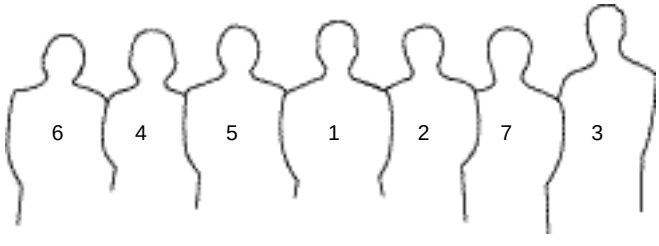
5. Dato' Mohammed Hussein

Head, Insurance

6. Kassim Zakaria

Head, Consumer Finance

7. Dato' Wan Ismail Abdul Rahman



“Together, we have the will and tenacity to drive meaningful change through innovation and experience”.

Management Team

Managing Director

1. Datuk Amirsham A Aziz

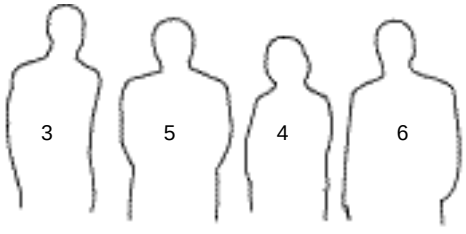
Executive Director

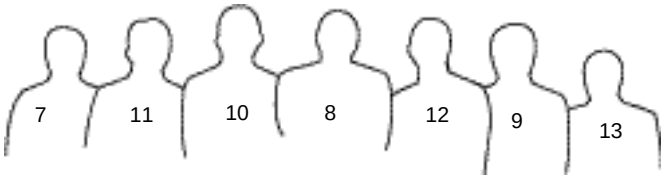
2. Dato' Ismail Shahudin

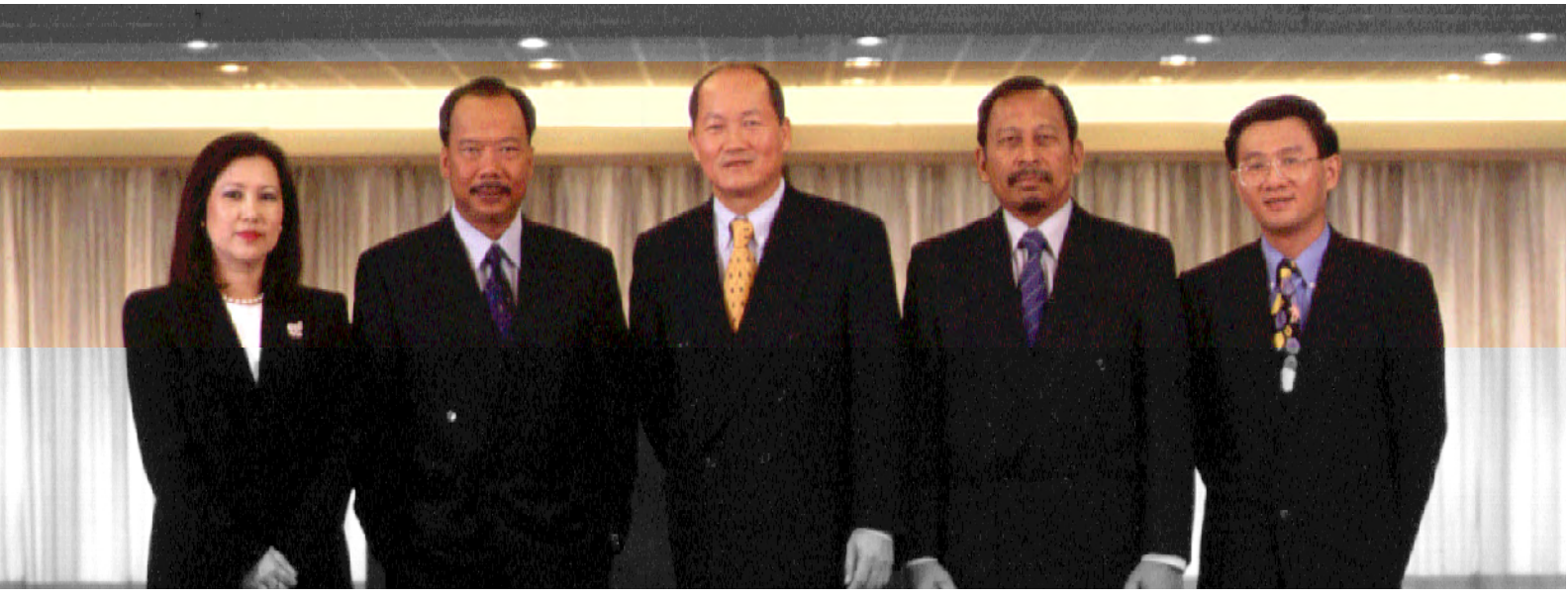
Senior Management

3. Spencer Lee Tien Chye
   (Singapore Operations)
4. Hooi Lai Hoong
   (Finance & Treasury)
5. Md. Agil Mohd Natt
   (Corporate Banking)
6. Ashraf Ali Abdul Kadir
   (e-Banking)
7. Mohd Zaini Kamaruddin
   (Branch Operations)
8. Abdul Aziz Peru Mohamed
   (Consumer Banking)
9. Azizan Ahmad
   (Human Resource)
10. Choo Yee Kwan
    (International Banking/Group Remedial Management)
11. Johar Che' Mat
    (Commercial Banking)
12. Tong Hon Keong
    (Information Systems)
13. Zulkiflee Abbas Abdul Hamid
    (Credit Control)

Datuk Amirsham A Aziz Dato' Ismail Shahudin







“We will continue to build mutually beneficial relationships with our customers based on trust, service and anticipation of their needs”.

Management Team (cont'd)

14.Baharil Ihzan Hashim
(Property)

15.Lee Hong Kim
(Operations, Singapore)

16.Loh Oun Hean
(Planning and Resources, Singapore)

17.Richard Chang Wah Choong
(Internal Audit)

18.Ibrahim Hassan
(Market Risk)

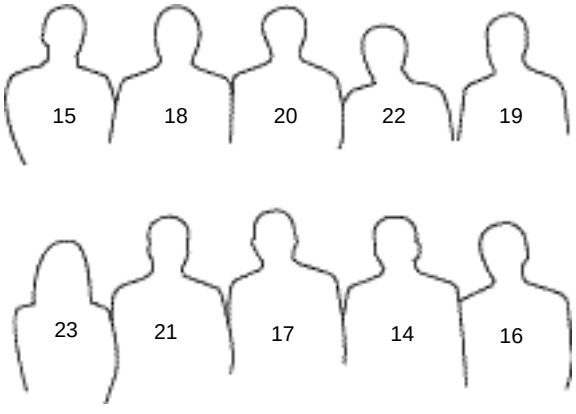
19.Syed Mahadzir Syed Ismail
(Forex & Money Market)

20.Nik Nasir Majid
(Corporate Planning)

21.Mohd Naim Abdullah
(Commercial Banking)

22.Dato' Abdul Manap bin Abd Wahab
(Special Project)

23.Ong Guat Kee
(Corporate Banking)



Corporate Governance

The Maybank Group, being committed to business integrity and professionalism, supports effective corporate governance and the development of best practices.

We advocate strong corporate governance practices as evidenced in the formation of the Senior Appointments and Remuneration Committee in April 1995 as well as the Nomination Committee in February 1996, long before the corporate governance concept was formalised in Malaysia.

The Board, through its various Committees have been effectively managing the business and affairs of Maybank, consistent with the objective of corporate governance towards enhancing business prosperity and corporate accountability.

The Board

The Board Members comprise a Chairman, a Vice-Chairman, six Non-Executive Directors and two Executive Directors including the Chief Executive Officer. 50% of the Board Members are Independent Non-Executive Directors.

The profiles of individual Directors are as stated on page 12 of this Annual Report.

The composition of the Board not only reflects the broad range of experience, skills and knowledge required to successfully direct and supervise the Bank's business activities, but also the importance of independence in decision-making at the Board level.

The Board met a total of 17 times for the financial year ended June 30, 2000 and all the Directors have attended more than 75% of the Board meetings as stipulated by Bank Negara Malaysia.

The Board Committees

The Board has established the following six Committees, each of which has a detailed specification regarding its membership, purpose and functions, and its authorities:-

1. Audit Committee

2. Nomination Committee

3. Senior Appointments and Remuneration Committee

4. Finance Committee

5. Establishment Committee

6. Maybank Group Employees Share Option Scheme Committee

External Advice

Directors are empowered to seek such external independent professional advice as they require, at the expense of the Company, to enable them to make well informed decisions.

Accountability and Audit

1. Going Concern

The Directors confirm that the accounts continue to be prepared on the going concern basis and are satisfied that Maybank and the Group has adequate resources, at the time of approving the financial statements, to continue in business for the forseeable future.

2. Internal Controls

The Directors are aware that they have the overall responsibility for Maybank Group's system of internal financial controls. Towards achieving this objective, the Board will ensure that there is full control and direction over appropriate strategic, financial, organisational and compliance issues through regular meetings. It also maintains a sound system of internal controls to safeguard the shareholders' investments and the Company's assets. However, such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

3. Risk Management

The Board is committed to the identification of risk factors throughout the Maybank Group. The Board is well informed on areas where there are significant business risks or exposures as well as the consistency of its risk measurement, monitoring and management.

4. Audit

4.1 Audit Committee (AC)

The performance of the Auditors and the adequacy of the internal and external expertise are reviewed by the AC, the membership of which comprises solely of Non-Executive Directors, with the Chairman being an Independent Non-Executive Director.

The membership and Terms of Reference of the AC is as stated on Page 14 of this Annual Report.

The AC met a total of 19 times for the financial year ended June 30, 2000 and all the members have attended more than 89% of the Committee meetings.

4.2 External Audit

The External Auditors attend every AC meeting and have direct access to the Chairman and Members of the AC without the presence of the executive directors for independent discussion.

Corporate Governance (cont'd)

4.3 Internal Audit

Maybank also has an Internal Audit Division which assists the AC in meeting its responsibilities, particularly in the areas of risk management, internal control, fraud and internal investigations. It also has an open line of communication with, and unrestricted access to the AC, without the presence of the executive directors.

Investor Relations & Shareholder Communication

Consistent with the KLSE's objectives, it is the intention of the Board that the shareholders are well informed of all major developments that have an impact on the Company and the various channels the information is communicated to the shareholders are as follows:-

1. the Interim/Annual Reports
2. the various disclosures and announcements made to the Kuala Lumpur Stock Exchange on such matters as the quarterly results, etc.
3. the Website at http://www.maybank.com.my/maybank

Shareholders/Investors who wish to contact the Company on any matter related to their shareholdings/investments, are invited to send their queries through e-mail via Maybank's website or call the following authorised personnel:-

Name	**Contact No.**
1. Nik Nasir Majid - Head of Investor Relations/ Corporate Planning	03-2304367
2. Datin Shafni Ahmad Ramli - Company Secretary	03-2383292
3. Asiah Jaafar - Registrar	03-2347808

“Maybank has adhered to a set of values to guide us. They include being responsible to the community in which we operate, respecting the environment and recognising excellence among our employees. It means operating according to the highest ethical standards. As we look to the future, we’ll continue to steer a course guided by these values.”

To Our Shareholders...

Tan Sri Mohamed Basir bin Ahmad

It is with great pleasure that we present to you the Annual Report and the Audited Accounts for the financial year ended June, 2000.

Overall Performance of the Group

Our Group performed well with pre-tax profit increasing by more than two-fold from RM1.01 billion to RM2.14 billion. Net profit for the year registered an impressive 40.3% growth to RM1.36 billion or 58 sen per share. This translates into a net return on average shareholders' funds of 13.9% and net return on average assets of 1.1% compared to 11.5% and 0.8% respectively in the previous financial year. Despite rising operational costs, our efficiency ratio remained low at the target level of around 30%.

Indeed, this performance came on the back of a strong upturn in the domestic economy and greater stability in the economies of the region. Growth in the Gross Domestic Product (GDP) for Malaysia accelerated from 8.6% in the third quarter to 11.0% in the fourth quarter of 1999 and 11.9% in the first quarter of 2000. For the second quarter of 2000, the economy expanded further by 8.8%. The benefit of the strong economic growth was reflected in increased loan demand. The Malaysian operations of our commercial banking and finance company registered an increase in outstanding loans of 9.8% and 11.9% respectively. For the Group's global operations, gross loans and advances, including loans sold to Cagamas, grew by 5.4% against a contraction of 1.6% in the previous financial year.

Lower incidences of loan defaults continued during the year with the default rate for the Group declining from 10.3% to 9.3% and for the Bank, from 8.6% to 6.7%. As a result, loan loss and provision charged for the Group declined by about one-third from RM2.27 billion to RM1.52 billion and for the Bank, by almost half from RM1.58 billion to RM0.85 billion.

Strategic Initiatives Implemented During the Year

While the improved business environment had contributed to our performance, the result would not have been possible if not for the various strategic initiatives introduced during the year as well as the dedication of all the staff. During the year, we made significant progress on the following strategic fronts:

- Customer Relationship Management (CRM):
  The competitive business environment in the domestic financial market calls for a new approach in serving customers. We have reconfigured our business model by moving from transactional to relationship banking. Under this model, Maybank evaluates the total needs of our customers and creates products and services to fulfill these needs. It was first adopted with the creation of a specialised team, called financial executives, who play the role of financial planners and advisors to the customers. The team continues to create an impact in

the market through the sales of insurance products at bank and finance company branches. As at the end of the financial year, the team had 503 executives and we have gone into a recruitment drive to increase further their numbers. In addition to the financial executives, we have also created dedicated teams of sales personnel for consumer banking products and for small and medium scale enterprise (SME) customers. These dedicated teams had made a tremendous impact on the growth of consumer and SME loans during the year.

- Transformation into Technology-Based Financial Group:
  Complementing our business model which focused on customer relationship, we continued to transform our group into a technology-based financial entity. Our electronic delivery channels became more prominent with the launch of our internet banking, Maybank2u.com, on June 9, 2000 - the first in Malaysia. We had also established strategic alliances with several business partners allowing us to have self-service electronic terminals at their distribution outlets. This partnership extended our reach to customers and strengthened further our dominant position in the retail banking business. In Singapore, we were the first Bank to introduce credit card application over the internet.

  Technology has also been the backbone for our data mining and management information system; internal communications; business process improvements; as well as our on-going programs in strengthening the management of credit, operations and market risks.

- Diversification of Revenue Stream:
  Increased competition as well as the growing maturity of the domestic financial market have created a strong momentum for Maybank to widen its revenue stream. During the year, we had given strong focus towards increasing the size of our non-fund based revenue stream. Total fee income for the Group rose by 28.1%, while income from the operations of Islamic Banking rose by 73.5% to RM187.17 million. The insurance business continued to record significant progress. Gross premium for Mayban Life Assurance Bhd almost doubled from RM123.24 million to RM244.64 million and in the case of non-life business, gross premium of Mayban Assurance Bhd increased by almost 20%.

- Productivity and Efficiency:
  The benefits of higher business volume could not be realised in full without constant improvement in productivity and efficiency. Viewed from this perspective, we have identified areas where we can benefit from economies of scale as well as eliminate wastage. In reaping the full potential, we have initiated a new concept of the Maybank Delivery System. This involves re-configuration of our branch network, expansion of electronic delivery channels and centralisation of back-office activities. Moving in tandem with these re-configuration efforts were business process improvement and skills enhancement.

Maybank 2u

To Our Shareholders... (cont'd)

- Seamless Group Entity:
  We continued the process of creating a seamless Group entity for Maybank. After having in place a corporate structure and unified business development teams across the Group, we have progressed further to having a common sales force, wider range of products and services as well as aggressive cross-selling. Recently, entities in the Group began to use a common business logo - a move to reflect not only the sharing of strength but more importantly, a commitment to live up to market expectation of the highest service quality.

- Risk Management:
  Continuous efforts were undertaken to enhance the overall risk management of the Group incorporating new risk management techniques and philosophies as well as to bring the existing framework in line with the prevailing market practice and its future trend. In the area of credit risk management, a risk rating system has been initiated to improve portfolio management and credit underwriting standards. As for the management of market risk, a new liquidity management framework incorporating behavioural pattern and off-balance sheet items, was adopted.

Challenges and Strategic Focus

The prospects of greater economic stability both domestically as well as globally augurs well for our business. The Malaysian economy which is expected to grow about 6.5% will stimulate strong demand for traditional bank financing. Internationally, particularly in the Philippines and Singapore, greater focus will be towards building up the loan base. Notwithstanding this, we are conscious that opportunities are increasingly coming from growth in the capital market, corporate advisory, fund management, trade finance and insurance. In this respect, while we will continue to strengthen our expertise and capability, we will also be looking into establishing strategic partnerships.

During the last twelve months, we have completed the acquisition of one finance company and a general insurance company. We have also entered into conditional sales and purchase agreements to acquire two mid-sized commercial banks and one stockbroking company. The major challenge for us as we move forward is to create value from these acquisitions. Responding to this challenge, our focus is to accelerate the integration process, eliminate redundancy and duplication, capture cross-selling opportunities over a wider customer base and secure additional market share in specific segments.

The process to transform our Group into a technology-based financial institution will continue. For the Bank, it will involve an investment of about RM251.1 million for the current financial year.

Along with heavy investment in technology, we are also investing in human resource. Our performance management reward system is being reviewed to encourage innovation and unlock the value of our people. Indeed, this investment in human resource is our response to the nation-wide strategic move in embracing the K-economy.

Dividends

Our achievement for the year allowed the Board of Directors to recommend a final dividend of 13.0 sen per share less 28% income tax. Together with the interim dividend of 5% less 28% income tax paid in January 2000, total gross dividend for the year is 18% against 12% for the previous financial year.

Conclusion

As we celebrate four decades of operations, we will certainly learn from our past experience to ride on future economic cycles. While the business landscape may be different, the corporate values of foresight, a pioneering spirit, partnership and dedication are still relevant. In fact, enriching these values with new capabilities including technology, innovation and thought leadership will keep the Group ahead of its competitors. This is the approach we are adopting to create value to this institution and hence, gain the continued support of our shareholders and valued customers.

Tan Sri Mohamed Basir bin Ahmad
Chairman

After a distinguished 26-year career with the Group, our Executive Director Dato' Mohd Salleh bin Hj. Harun had opted for an early retirement from Maybank to take on the appointment as Deputy Governor of Bank Negara Malaysia. Dato' Salleh left behind a legacy of prudence. While his departure is a loss to the Group, it is certainly a gain to the nation. We all thank him for his significant contribution to the Group and wish him success in his new position. We would also like to welcome Datuk Abdul Rahman bin Mohd Ramli who joined the Board of Maybank in November 1999.

Segmental Reporting

a. Commercial Banking Business

Maybank continues to maintain its leading position in the domestic commercial banking industry. Capitalising on improved consumer sentiment, consumer loans which accounted for 27.5% of the total, expanded strongly by 21.0%. About 61% of the increase came from home mortgage financing whilst another 18% from unit trust loans and 6% from credit card receivables. The encouraging performance of mortgage financing was the result of increased brand awareness, strategic partnerships with property developers and most importantly, the dedication of consumer sales personnel at various branches. In the credit card business, Maybank is now the largest issuer of Mastercard in Malaysia and was awarded the Visa Pacesetter Award for leadership in card acquisition, usage, branding and innovation.

Maybank continued to have a strong franchise in domestic retail deposits and this was represented by a 26.7% market share for individual savings deposit. The focus for deposit mobilisation during the year was on the current and saving deposits. Emphasis was also given to strengthen the growth of the retail fee-based income. During the year, fee income from consumer business rose by 29.0%; emanating mainly from commissions on credit cards, unit trusts and on the sale of insurance products.

With regard to the Bank's electronic delivery network, 12 additional off-bank e-Kawanku centres were commisioned raising its number to 17. Each of the centres are equipped with self-service terminals comprising ATM, passbook update, cash deposit and cheque deposit machines. In addition, 43 new off-bank ATMs were installed. The services offered have been expanded to include, among others, electronic share application for IPOs and loading of recharge codes for pre-paid cellular telephone cards. Kawanku Phone Banking made further progress with the number of customers signing up for the service increasing by almost three fold to 717,681. The range of services offered through phone banking was also enhanced with the inclusion of, among others, Islamic banking account, money transfer and credit card access.

The Bank had, on June 9, 2000 launched Maybank2u.com, the first internet banking, insurance and stock trading service in Malaysia. Maybank2u.com enables customers to perform a variety of transactions not only linked to banking but also to experience e-commerce convenience ranging from shopping to bills payments. The service has been well-received as evidenced by the 40,000 subscribers, just two months after its launch. With this achievement, the Bank is on track towards realising its vision of anytime-anywhere banking convenience for its customers.

For the small and medium scale enterprises segment, the performance continued to be encouraging. Outstanding loans grew by 15.2% and accounted for 21.2% of the Bank's domestic loans and advances. One of the major intiatives undertaken during the year was the establishment of business centres for small and medium scale enterprises. The objective of these centres is to improve customer service. The Bank continued to play a significant role in supporting the development of Bumiputra businesses. Total loans extended to Bumiputra small and medium scale enterprises increased by 19.4%.

Growth for corporate loans remained subdued during the year as the process of deleveraging continued. Outstanding loans and advances of corporate customers grew by only 1.7% and this came largely from trade finance in which the Bank commanded a market share of 20%.

b. Islamic Banking Business

Islamic banking business for the Group continued to gain wider acceptance as understanding on the products increased. The Group currently offers an extensive range of Islamic financial products catering for the consumer, small and medium scale enterprises as well as corporates.

During the year, total Islamic banking assets for the Group increased from RM5.5 billion to RM6.4 billion - a growth of 16.6%. Total loans and advances registered a growth of 46.2% to RM3.7 billion. This was achieved through more penetrative marketing efforts. Sectorally, purchase of transport vehicles accounted for 34.3% of the total loans, followed by home mortgage with a share of 17.5%. As at the end of the period, loan market share for the Group was 29.8%.

Deposits mobilised from customers increased from RM2.9 billion to RM5.0 billion or a growth of 73.7%. Market share for deposits, therefore, rose from 14.4% to 26.8%. A new deposit product called the Premier Mudharabah Account (PMA) was introduced to provide customers with the convenience of a chequebook, an ATM card as well as the benefit of dividends. Access to the PMA is also made available through Maybank's internet banking, Maybank2u.com.

c. Finance Company Business

In terms of profitability and business growth, the period under review was the best year for the finance company operations. Pre-tax profit increased by 62.9% and gross loans increased by almost 12%. The business benefitted significantly from the low interest rate regime and renewed consumer confidence which spurred strong growth in the sales of motor vehicles and property.

Segmental Reporting (cont'd)

During the year, hire purchase financing recorded a growth of 25.8%. With this performance, the market share improved from 16.0% to 21.3%. The significant increase in market share can be attributed to focused marketing, strong relationship with dealers and service differentiation.

Several major initiatives were undertaken during the period. Among those were offering of hire-purchase financing through the internet and the centralisation of back-office activities.

d. Investment Banking Business

The investment banking business performed well with its profit contribution to the Group increasing from 3.3% in the previous year to 10.5% for the current year. This increase can be attributed to a turnaround in the performance of the merchant banking subsidiary, 49.3% increase in the pre-tax profit of the securities subsidiary and 25.3% increase in the pre-tax profit of the discount house.

The merchant banking subsidiary, Aseambankers, is recognised as a significant player in the capital markets. During the period, the company was responsible for raising RM6.7 billion worth of corporate bonds, representing 44% of the total corporate bonds raised in the capital market. In the IPO market, Aseambankers was lead adviser and manager for raising RM663 million out of a total of RM1.2 billion, representing a market share of 54.6%. In recognition for its performance, Aseambankers has been awarded the Euromoney Awards for best domestic bond house in Malaysia and the best equity house in Malaysia in Year 2000.

e. Insurance Business

Insurance business for the Group progressed further during the year. Gross premium written for the life business increased by more than double from RM127.1 million to RM272.1 million and by 20% for non-life. In recognition of its dynamic distribution network and customer focused approach, Mayban Life won the coveted Life Insurance Company of the Year 1999 for Asia, awarded by the Asian Insurance Industry.

Several new products were introduced during the year. They include products such as Teras Malaysia - a term life protection; Sihat Malaysia - a healthcare protection scheme; Pelaburan Premier Guru - a unit-linked plan, and annuities under Sekim Annuiti Konvensional KWSP. Apart from this, sales efforts were enhanced through further simplification of selling processes, including the issuance of insurance policies and certificates on the spot and making the products available via Maybank2u.com. Measures were also taken to enhance the expertise and capacity for specialised risks in industry sectors such as oil and gas, power, telecommunications, marine and aviation.

f. Asset Management Business

As at June 30, 2000, total funds managed by the two fund management subsidiaries of the Group was RM1.7 billion or an increase of 24.0%. Of this amount, RM857 million was attributed to Mayban Investment Management Sdn Bhd and the balance to Mayban Management Bhd, a unit trust company.

For the venture capital business, a new subsidiary, Mayban Venture Capital Sdn Bhd, commenced operations during the year. The company will invest the funds provided by Bank Negara and Maybank, amounting to RM150 million, in advanced manufacturing, information and communication technology as well as life sciences industries.

g. IT Infrastructure

Since 1978, when Maybank first introduced computerised banking to its customers, Information Technology (IT) has played a key role in its business. Over the last 22 years, the Bank has invested progressively in IT infrastructure, equipment, software and services, making it to date, the leading IT user among financial institutions in Malaysia. With the largest network of branches and ATMs, Maybank is poised to take banking to new heights in this millennium.

For its customers, the emphasis on convenience and accessibility has resulted in the introduction of internet banking, phone banking services and self service devices. In addition, 2,500 Electronic Fund Transfer at Point Of Sale (e-POS) terminals have been installed at shopping centres, petrol kiosks and entertainment outlets to enable direct debit payments to be made.

To further facilitate greater accessibility and efficient payment services for its customers, the Bank has actively participated in the National Payment System initiatives of e-Cash, Interbank Giro, Internet (SET) Payment Gateway as well as shared ATMs.

For corporate and commercial customers, Maybank offers value added services directly through the Maybank Desk-Top Banking (MDTB) solution. Among the facilities provided by MDTB are cash management, initiating standing instructions, electronic crediting of salary, application of Letters of Credit and Bank Guarantees. MDTB will soon be extended to Singapore.

In the e-commerce arena for Business-to Business (B2B) transactions, the Bank has participated in the setting up of an e-Procurement hub with a leading credit card company to offer a virtual payment facility. An alliance with an applications service provider has resulted in the Electronic Bill Presentment and Payment (EBPP) facility, e-Bill, which has also been linked to the Bank's portal, Maybank2u.com. Positioned as a financial payment gateway, the Bank is technically equipped to integrate to any partner e-communities.

Segmental Reporting (cont'd)

Supporting the largest dealing room operation in Malaysia, with several thousand transactions worth billions of ringgit per day, the Bank has recently completed the end-to-end computerization of the treasury operations. Within this new digital platform, with access to real time, the environment is now set for a more sophisticated risk management.

Along with extensive efforts to move branch backroom processes to centralised service centers, the loans processing, cheque clearing and funds transfer operations have been streamlined and automated. As a recognition of these accomplishments, in 1999 the Bankers Trust Company New York awarded the "Excellence Award for Straight Through Payment Processing" to Maybank for its achievement of more than 95% end-to-end processing for SWIFT payments.

h. Human Resource Development

The changing business landscape, labour market trends, functional demands and advent of technology posed numerous human resource (HR) challenges. The intensity to review the prevailing HR policies and practices is further compounded by the shift of the Group towards relationship banking from the current transaction orientation.

About RM21.0 million was invested in HR development covering skills and leadership development, continuous learning schemes, sales & service training and communication/change management initiatives.

The reconfiguration of delivery channels, which involves the transformation of branches into sales & service outlets, introduction of electronic delivery channels and the centralisation of backroom support functions brought about a major change in the focus and approach of training. Almost 40% of the investments were channelled toward technical skills, as well as sales and service related training. Service quality workshop were conducted for all Branches and follow-up teambuilding programs are in progress. Sales seminars and workshops were organized for retail, commercial and corporate sales personnel at regular intervals to drive sales and maintain focus on sales efforts.

Overall, a total of 8,089 staff attended 446 courses out which 37% attended sales and service related courses. To provide greater exposure for our staff, 1,912 staff attended various external courses with a majority attending management / personal development courses. Another significant area of exposure was e-Commerce, e-Banking and IT related programmes.

To further strengthen the dedicated sales force, 190 Consumer Sales Officers were appointed to handle home mortgages and complement the existing Financial Executives (FEs) handling the sales of Bankassurans products.

Adopting the "Right Person for the Right Job" approach, comprehensive selection tools, which included personality profiling and adaptability assessments were introduced. Besides the sales personnel, all line managers were subjected to these assessments to ascertain their affinity for either frontline sales or backroom support jobs.

As part of the efforts to provide for personal and professional growth, the existing continuous learning schemes were reviewed and new ones introduced. Ninety-five staff were accorded with monetary awards under the Staff Academic Award Scheme. Besides sponsoring 10 staff to study for graduate studies, there are 343 pursuing certificate level and 116 diploma level studies under the IBBM Sponsorship Scheme. In the May 2000 IBBM examinations, 54 qualified with the Certificate and 48 with Diploma.

The Bank is currently sponsoring 72 students at various local universities under its Maybank Scholarship Award Scheme. Thirty-one scholars completed their studies during the year and have been absorbed into various functions.

There was great emphasis on Leadership Development for the year with introduction of competency-based core managerial courses. In this regard, the Bank participated in programmes organised by INSEAD, AIM, University of Michigan, Wharton Business School, University of Washington and National University of Singapore.

To complement these HR development efforts and support the ever changing business needs, the performance management system was reviewed. At the same time, having constant dialogues with the Unions contributed significantly towards a harmonious working environment. Safety aspects were never compromised and with the assistance of National Institute of Occupational Safety and Health (NIOSH), comprehensive programs were conducted in-house.

An integral part of HR development is the focus on communication/ change management initiatives. Besides newsletters, electronic means are advocated as a means for speedy dissemination of information to keep staff informed.

Moving ahead, the upcoming year is going to be an exciting one. In particular, the merger exercise will pose new challenges and the need for HR to transform itself even further is imminent.

i. Community Relations.

As a responsible corporate citizen, the Group committed in excess of RM 10 million in support of deserving social causes. One of the principal projects is the pledge of RM5 million to the Ministry of Health for the establishment of a Children's Liver Centre in Kuala Lumpur. With the establishment of this Centre, children suffering from liver related afflictions and requiring liver transplants, are now assured of treatment at more affordable rates.

Segmental Reporting (cont'd)

Reflecting the increased focus on medical causes, the Group donated over RM 270,000 towards a campaign aimed at instilling greater public awareness of leukemia and cancer that was run in conjunction with Hospital Universiti Kebangsaan Malaysia (HUKM) and the National Cancer Council (MAKNA). In keeping with past practice, the Maybank Group Welfare Fund contributed medical equipment worth over RM160,000 to the Government hospitals in Kuantan and Kuala Lipis.

Singapore Operations cemented its already close association with the handicapped in the Republic through the sponsorship of a series of activities under its Very Special Arts program. Specifically they sought to build on the earlier initiatives, to further enhance the artistic skills of the recipients.

In the Arts, 1999 proved to be eventful as the Group - for the first time - sponsored an art exhibition in Bandar Seri Begawan in conjunction with the hosting of the SEA Games .

The Group remains mindful of the fact that there remains a large number of worthy social causes which are in need of some form of assistance. As it has demonstrated conclusively in the past, Maybank will continually strive in its own small way, to meet these expectations with the sincere hope that its intervention is able to make a meaningful difference to the fortunes of the affected parties.

“We’re using technology and people excellence extensively for product innovation and service enhancement to meet our customers’ changing needs.”

Group Corporate Highlights

July 1999

- In recognition of the academic achievement of the children of its staff, the Maybank Group presented Academic Excellence Awards to 66 children who excelled in their 1998 public examinations.

August 1999

- An art exhibition featuring works of 24 artists in Brunei was sponsored by Maybank in Bandar Seri Begawan in conjunction with the SEA Games in Brunei Darussalam. It was officiated by Yang Teramat Mulia Paduka Seri Pengiran Anak Puteri Hajah Masna binti Al-Marhum Sultan Omar Ali Saifuddin Saidul Khairi Waddien, the Ambassador at Large of Brunei Darussalam. The exhibition also featured some of the paintings which were included in Maybank's anthology of poems and paintings called "Cakerawala Nusantara".

- Maybank Singapore's teller emerged the national champion in a local television programme "Battle of the Best" where bank tellers from both local and foreign banks pitted their skills against each other including counting coins while blindfolded, sorting currency notes as well as guessing the value of a stack of currency notes.

September 1999

- A total of 190 staff were presented with a gold medal and a certificate each in appreciation of their 10 years of service with the Bank.

1

- The first Maybank e-Kawanku outlet in a petrol station was launched at Petronas Station, Batu 7, Jalan Cheras, Kuala Lumpur. This outlet offers self-service machines comprising Kawanku ATMs, Kawanku Cash Deposit Machine and Kawanku Cheque Deposit Machine.

2

- Maybank was one of the five banks participating in the pilot launch of the MEPS Cash Card by Malaysian Electronic Payment System (1997) Sdn Bhd. It was officiated by Tan Sri Dato' Seri Ali Abul Hassan Sulaiman, Governor of Bank Negara Malaysia.

- Mayban Finance held its 22nd Annual Conference for management staff and branch managers at Penang Mutiara Beach Resort from 2-5 September, 1999. Branch Performance Awards for outstanding achievements were also presented at the event.

October 1999

- A total of 196 employees of Maybank who had served the Bank for 20 and 30 years received their long service awards comprising a gold medal and certificate each at a special ceremony.

- A signing ceremony between Maybank, Mayban Finance and Celcom was held to launch a new service which allows the purchase of re-charge codes via Kawanku ATMs by Celcom Prepaid Mobile customers. 1

- A Chinese brush painting art exhibition entitled "HEART-Ants and Ends" organised by Nanyang Press Holdings Berhad and co-sponsored by Maybank was officiated by Maybank Vice-Chairman, Dato' Richard Ho at Balai Seni Maybank. This solo art exhibition by Goh Ah Ang featured 51 paintings mostly using little ants as his visual language.

- Mayban Life Assurance the life insurance unit of Maybank was named Asia's Life Insurance Company of the Year 1999 by the Asia Insurance Industry based on its dynamic distribution network and service and customer-focus approach.

3

- A long service award presentation was held to reward staff who had served Mayban Securities for 10 years. The presentation was held in conjunction with the company's Family Day at Damai Laut, Lumut.

- Maybank and Mayban Finance donated RM36,500 to Zoo Negara for the sponsorship of two Sumatran tigers and six fish owls. The cheque was presented to Tan Sri Khir Johari, President of Zoological Society Malaysia by Maybank Vice-Chairman, Dato' Richard Ho.

- A total of 50 students from various local universities were awarded with Maybank scholarships by the Chairman of Maybank, Tan Sri Mohamed Basir bin Ahmad. Maybank had allocated RM900,000 for the scholarships in 1999, as part of its commitment as a responsible corporate citizen.

4

- The 39th Annual General Meeting of the shareholders of Maybank was held at Menara Maybank.

November 1999

- Maybank was named the Best Domestic Bank in Malaysia by Global Finance magazine in its October 1999 issue for the "Best Banks in Emerging Markets" category. The award was presented in Washington by Mr. Joseph D. Giarraputo, President & Publisher of Global Finance to Maybank Executive Director, Dato' Ismail Shahudin.

- Maybank and Makro Cash & Carry Distribution (M) Sdn Bhd, in collaboration with VISA International, launched the latest innovative Maybank-Makro Visa card which marked a milestone as the first credit card to be accepted at Makro hypermarkets. 2

5

Group Corporate Highlights (cont'd)

- Maybank Group, continued its tradition of contributing towards the Deepavali celebration by donating goodies and cash worth RM22,900 to 80 orphans and senior citizens from three orphanages and old folks homes.

- Mayban Life Assurance and Mayban Assurance were sponsors for the "Walk For The Nation" event organised by the Ministry of Youth & Sports, to support Malaysia's bid to host the 2006 Asian Games in Kuala Lumpur. The sponsorship was for insurance coverage to the 1.2 million walkers for the event held on 6 November 1999. 3

- Aseambankers was the Financial Advisor and Lead Arranger for a Private Debt Securities ("PDS") Issuance Facility for nominal value of up to RM3,920,000,000.00 for Midciti Resources Sdn Bhd to refinance its existing credit facilities.

December 1999

- Maybank Singapore, an active corporate sponsor-partner with Very Special Arts, Singapore, organised the 5th Annual Children Arts Camp titled "Earth Children" for 50 children with and without disabilities. The three-day event was aimed at educating children with sensory, physical and intellectual disability on the five senses, the natural elements and greens in our earthly habitat. 4

6

January 2000

- Mayban Life Assurance (MLA) and Mayban Assurance (MAB) pledged RM225,500 to MAKNA to support the funding of MAKNA's educational programmes to create public awareness on cancer. An agreement for this partnership was signed in Menara Maybank by Maybank Chairman, Tan Sri Mohamed Basir bin Ahmad representing both MLA and MAB, and Dato' Mohd Farid Ariffin, President of MAKNA. 5

- In conjunction with the Hari Raya Aidil Fitri and Chinese New Year festivals, the Maybank Group made donations of over RM113,000 to the Maybank Bone Marrow Centre at Hospital Universiti Kebangsaan Malaysia (HUKM) as well as to four needy children, three of whom required urgent heart surgery and another who needed an artificial limb. The contribution to HUKM was for the printing of brochures and posters to create greater public awareness on leukaemia.

7

- Maybank Singapore made its debut as lead manager for the Placement of Shares when it placed out 23,701,000 new ordinary shares for Poh Lian Holdings Ltd. The placement represented approximately 10% of the issued and paid up capital of the company.

February 2000

- Maybank launched its e-Kawanku facility at Caltex Oil (M) Ltd station in Bandar Sunway. The opening of this first e-Kawanku outlet at Caltex aims to offer Maybank customers as well as motorists throughout the nation an even more convenient way to fulfil their banking needs. 6

March 2000

- Maybank and the Malaysian Press Institute jointly organised a one-day course on "Economic Reporting" for journalists. It was officiated by Dato' Dr. Hj. Shafie Mohd Salleh, Deputy Minister of Finance. About 25 participants from the various media attended the seminar. 7

- Maybank and l0l Multimedia Sdn Bhd jointly organised a one-day e-commerce seminar entitled "Getting Your Business Online". About 400 participants attended the seminar.

- Maybank Singapore became the first financial institution in Asia to use high bandwidth digital technology, ADSL (Asymmetrical Digital Subscriber Line), over a virtual private network (VPN) to improve its banking operations and deliver enhanced customer service.

- As part of the ongoing partnership with Maybank, Very Special Arts Singapore staged a musical performance at a dinner reception for the Bank's valued customers held in conjunction with the Maybank Group Board Meetings in Singapore. 8

- Mayban Finance honoured its long serving staff at a special Long Service Award presentation ceremony held at the Shangri-La Hotel Kuala Lumpur. Its Executive Director, Dato' Wan Ismail Abd Rahman presented the awards to a total of 100 staff who had served 10 to 20 years in the company.

- Mayban Assurance acquired an additional 2.48% equity interest in UMBC Insurans Bhd, increasing its total stake in the company to 80.80%.

- Aseambankers acted as the Financial Advisor and Lead Arranger for a Private Debt Securities ("PDS") Issuance Facility of up to RM731,000,000.00 for Measat Broadcast Network Systems Sdn Bhd to part finance its working capital requirements.

8

9

April 2000

- Maybank and Mayban Finance as agents for various unit trusts offered by Amanah Saham Nasional Berhad, participated in the "Minggu Saham Amanah Malaysia" exhibition at PWTC. The exhibition was launched by the Prime Minister, Dato' Seri Dr. Mahathir bin Mohamed.

- The Minister of Special Functions and Minister of Finance, Tun Daim Zainuddin launched the new logos of major Maybank subsidiaries. The introduction of these new logos of Aseambankers, Mayban Assurance, Mayban Discount, Mayban Finance, Maybank International (L), Mayban Life Assurance, Mayban Life International (Labuan) and Mayban Securities aims to project a consistent corporate identity for the Group. 9

10

Group Corporate Highlights (cont'd)

- Maybank Group had its Group Managers Convention with the theme "Together Onwards - Unleash the Tiger" at Palace of the Golden Horses. About 800 participants from Malaysia and overseas attended the convention.

- Aseambankers, Finance Asia, Malaysia Rating Corporation and Deutsche Bank jointly organised the 2000 Malaysian Domestic Debt Conference at the Mandarin Oriental, Kuala Lumpur.

- In a move that shocked the credit card industry, Maybank Singapore launched the republic's first e-mail credit card - Maybank eCard - which offers an interest rate of 15% per annum, a new level not seen before in the credit card industry. The Maybank eCard, which also comes with no annual fee, is an innovative and refreshing new credit card targeted at the techno-savvy professional.

- Maybank Singapore became the first bank in Singapore to tie-up with broking firm, Fraser Securities, to offer share margin financing on-line. Fraser Securities is the oldest stockbroking firm in Singapore.

May 2000

- Maybank signed an agreement with NCR (M) Sdn Bhd, Wincor Nixdorf Malaysia and CL Computers (M) Bhd for the purchase of 650 electronic banking self-service terminals worth RM40 million. These terminals including ATMs, cash deposit machines, cheque deposit machines and passbook update machines will further enhance banking convenience for all Maybank customers. 10

11

- Maybank was presented with the VISA Pacesetter Award by VISA International for its achievement in card acquisition, usage and branding, as well as the introduction of innovative services and products. Maybank Chairman, Tan Sri Mohamed Basir bin Ahmad received the award on behalf of Maybank from VISA International General Manager and Executive Vice President for South East Asia and Greater China, Mr. James Murray. 11

12

- A signing ceremony between Mayban Finance, Mayban Assurance and taxi operators namely Destination Transport (M) Sdn Bhd, Uptownace Sdn Bhd and Marlis Corporation Sdn Bhd was held for the introduction of the "Taxi Care Card". With this agreement, taxi drivers from these three companies can now enjoy the privileges and advantages of Taxi Care - Group Medical and Surgical Insurance. 12

June 2000

- Maybank unveiled its one-stop online financial portal, Maybank2u, the first in Malaysia, which provides customers the convenience of banking through the internet from anywhere in the world. The new service was launched by the Governor of Bank Negara Malaysia, Dato' Dr. Zeti Akhtar Aziz. 13

- Maybank and Aseambankers were two of the arrangers for a RM1.5 billion Islamic private debt securities facility for Malaysian International Shipping Corporation Berhad. 14

- Maybank Group through its Tabung Kebajikan Kumpulan Maybank, donated RM168,000 worth of medical equipment to Hospital Tengku Ampuan Afzan, Kuantan and Hospital Kuala Lipis. The presentation ceremony was held in conjunction with the Maybank Group Board of Directors Meeting in Kuantan. The Menteri Besar Pahang, Dato' Sri Adnan bin Yaakob, received the donation on behalf of the hospitals from Maybank Chairman, Tan Sri Mohamed Basir bin Ahmad.

- Maybank Singapore was the co-underwriter and co-placement agent for Hong Lai Huat Group Ltd for 4 million out of the 9.4 million public offer shares and the placement agent for another 16 million shares out of the 37.6 million placement shares.

- Mayban Ventures, together with Commerce Asset Ventures Private Equity Management Sdn Bhd launched the "New Venture Capital Fund", a RM300 million fund which was subscribed by the government through Bank Negara Malaysia, Maybank and Bumiputra-Commerce Bank to fund high-technology projects. The ceremony was officially launched by the Deputy Finance Minister, Dato' Dr. Hj. Shafie Mohd Salleh. 15

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Management's Discussion And Analysis On Financial Position And Result Of Operations

Datuk Amirsham A Aziz

Survey on the Overall Business Conditions

The economic environment during the twelve-month period to June 2000 improved further as the recovery measures began to take effect. In Malaysia, the economy recovered strongly with growth in GDP of 10.0% against a contraction of 4.8% in the previous period. This development can be attributed largely to the strong growth in external demand, with export volume rising by 19.4% and, the Government fiscal stimulus which resulted in domestic demand growing by 6.3%. Sectorally, manufacturing grew by 23.3% thus accounting for 30.0% of the GDP.

With higher export growth, the economy registered a huge trade surplus of RM67.3 billion or 20.9% of the GDP. Together with a net inflow of private long term capital amounting to more than RM5.5 billion, the financial system in the country was flush with liquidity. However, following active interventions by the authority to stabilise liquidity conditions, the market interest rate remained virtually flat. The average 3-month KLIBOR declined slightly from 3.27% in June 1999 to 3.13% in June 2000. Except for a slight downward adjustment in July 1999, the base lending rate for commercial banks and finance companies during the period remained almost unchanged. Nevertheless, as competition in the loan market heightened, the average lending rate for commercial banks came down by almost 70 basis points. The average fixed deposit rate however, came down by only 49 basis points for 3-month tenors and rose by 11 basis points for 12-month tenors.

The strong pick-up in domestic economic activities spurred demand for funding. Total new funds raised from the capital market increased by 27.4% to RM46.9 billion. Of this amount, the private sector accounted for 61.7% - a reversal from the previous period during which the bulk was raised by the public sector. Although the quantum raised through the equity market rose almost five-fold, 72.3% of the funds mobilised by the private sector was in the form of debt securities. New debt securities issued during the period, amounted to RM21.0 billion which was 56.8% more than the previous period.

With debt securities becoming more prominent, growth in traditional bank lending was somewhat muted. The banking industry's loan growth for the twelve-month period to June 2000 was only 2.0%. This growth emanated primarily from consumer credit and trade finance. It is also interesting to note that loan repayment, which amounted to RM28.1 billion per month, was more than twice loan approval. Matching this with the volume of debt securities issued, one can surmise that the substitution of loans with capital market instruments by large corporates was quite prevalent.

As loan growth suffered from corporate de-leveraging and the system was flushed with liquidity, the need to offer alternative non-bank savings products, in particular unit trusts and investment-linked insurance products, became crucial in the overall management of excess funds. This option helped to moderate traditional deposit growth to 5.5% and hence kept the loan-deposit ratio for the banking industry at a respectable level between 83% to 87%.

The banking system continued to remain strong with the risk weighted capital ratio as at June 30, 2000 ranging from 12.8% for commercial banks and 16.2% for merchant banks. Net non-performing loan ratio for the system as a whole, on 3-month classification, declined to 10.5% from 12.4% a year earlier.

Maybank Financial Results

In line with the strong upturn in domestic economic activities and ample liquidity in the system, growth in the total assets of Maybank Group accelerated from 2.6% in the previous year to 8.4% for the year under review. At the Bank level, growth momentum was much stronger i.e. from 0.8% to 10.8%. Hence, by end of June 2000, total assets for the Group and the Bank stood at RM127.3 billion and RM97.1 billion respectively.

Cash and short-term funds accounted for 61.0% of the increase in the asset base of the Group. The increase, which amounted to RM6.0 billion, came mainly from the Bank and it was a reflection of the continuing ample liquidity in the system.

As for loan growth, Maybank out-performed the industry. For the Malaysian operations, gross loans and advances, including loans sold to Cagamas, increased by 8.1% for the Group and 9.8% for the Bank against 2.1% and 4.2% respectively for the industry. Lower growth at the Group level is explained by the shift in Aseambankers' focus from asset expansion to fee-based activities. Arising from this, gross loans and advances for the company declined by 32.2% to RM1.2 billion. Gross loans and advances for Mayban Finance Berhad, on the other hand, grew by 6.8% and it was driven by a 25.8% increase in hire-purchase financing and 32.5% increase in housing loan.

Loans by the overseas operations, however, contracted by about 6%. The decline was most notable for Singapore, Labuan offshore and Indonesia. For our Singapore ACU operations, loan base shrank by 22.6% and for the Labuan offshore, total loans declined by 6.2%. The continued uncertainties in Indonesia during the period resulted in its loan base contracting further by 23.3% against 16.9% in the previous financial year. Notwithstanding this, loans and advances from several other overseas locations, notably the Philippines and Vietnam, expanded further; the former, by 12.9% whilst the latter by 7.0%. As at the end of June 2000, net loans and advances for the Group amounted to RM79.8 billion and for the Bank, RM61.6 billion. This represented about two-third of the total assets for the Bank and the Group.

Deposits and placements with financial institutions for the Group registered a 21.1% increase during the year to RM5.8 billion. The increase was attributed entirely to placement with licensed banks where the Bank acted as intervention agent for liquidity operations. The placement with licensed banks increased by 94.5%. However, placements with other financial institutions dropped by 14.1%.

Management's Discussion And Analysis On Financial Position And Result Of Operations (cont'd)

While the Group's holdings of dealing securities rose by more than four times to about RM875.6 million, the Bank's portfolio registered a reduction of RM72.3 million to RM1.4 million. In the case of the former, the growth was largely fueled by the portfolio building of Mayban Discount and Aseambankers. The reduced size of the Bank's trading portfolio arose principally from the maturing of its Cagamas bond holdings.

Holdings of investment securities by the Group declined by 8.2% to RM18.5 billion but at the Bank level, it rose by 4.8% to RM11.6 billion. In the case of the Bank, which accounted for 62.4% of total holdings, the increase arose from the investment of surplus funds in money market instruments particularly Treasury and Bank Negara Bills as well as Cagamas notes.

At June 30, 2000, the Group had total liabilities of RM116.7 billion, an increase of 8.0% from a year earlier. At the Bank level, outstanding liabilities rose by 10.8% to RM88.3 billion. This growth in liabilities was attributable largely to higher liquidity in the system.

Growth in customer deposits moderated to 5.6% for the Group and 4.7% for the Bank against slightly over 10% in the previous period. This moderation reflects stability in the domestic banking system, greater availability of alternative savings as well as investment instruments and most importantly, the result of a conscious effort to reduce reliance on high-cost deposits. In fact, at the Bank level, this featured rather prominently. The combined growth for demand and savings deposits was 15.8% against a stagnation for the fixed deposits and a decline of 31.6% for negotiable instruments of deposits. Hence, as at 30 June 2000, the share of demand and savings in total deposits rose to 37.9% from 34.2% a year ago. The Group continued to have a broad deposit base. At the Bank level, individual deposits accounted for almost half the total.

Interbank deposits with the Group rose by 16.5% to RM20.1 billion and with the Bank, by 38.8% to RM15.9 billion. The increase came from intervention funds as a result of the expansionary liquidity operations particularly in May and June.

The value of Repo arrangements expanded by 26.1% at the Group level and by 52.7% for the Bank. This development was the consequence of the overall strategy to reduce the cost of funds given the prolonged low interest regime of short-term tenures.

Outstanding subordinate obligations were reduced by RM 680.0 million following the pre-payment of the USD100 million Floating Rate Certificate of Deposit (FRCD) due in March 2004 and the RM300 million Term Loan due in December 2002. This course of action was undertaken in view of the availability of cheaper funds as well as part of our strategy in capital management.

Profit And Loss Statement

Interest income for the Group declined by 21.3% to RM7.6 billion. The decline was most prominent for Aseambankers, contracting by 45.5%, followed by the Bank and Mayban Finance which fell by 21.3% and 18.2% respectively. The reduction in interest income was primarily due to lower interest rate even though interest-earning assets increased by 8.6%.

Interest expense declined by a bigger margin of 38.7% to RM3.8 billion. Mayban Finance registered a sharp decline of 47.8%, followed by Aseambankers and the Bank which fell by 46.9% and 36.9% respectively. The decline was due to lower interest rate for interbank and customer deposits.

Net interest margin on earning assets for the Group improved from 3.28% to 3.42%. The improvement was largely contributed by Mayban Finance where the interest margin widened from 3.39% to 5.4%. Despite an improvement in the margin earned on performing loans from the Bank's Malaysian operations, i.e. from 2.77% to 3.36%, its overall net interest margin on earning assets declined slightly from 3.12% to 3.05%. This can be attributed to the declining spread on money market assets.

Non-interest income for the Group increased by 9.8% to RM1.3 billion. The increase can be attributed to a 28.1% increase in fee income. About 42.1% of the increase in the fee income came from brokerage income and another 35.7% from commission. Income from net premium written for the Group rose by 27.6%. This came as a result of the doubling of net premium for life insurance business and an 18.5% increase for the non-life insurance. Income from Islamic Banking operations for the Group recorded a significant increase of 73.5% to RM 187.2 million. The increase came on the back of a 16.6% growth in its asset base. With this performance, non-interest income as a share of total income for the Group rose from 26.7% to 27.7%. For the Bank, non-interest income fell by 7.5% to RM0.85 billion. The decline can be attributed to lower dividends from subsidiary companies which in the previous year was inflated by a special non-recurring dividend from Mayban Finance Singapore.

Loan loss and provisions of the Group registered a substantial reduction of RM753.6 million to RM1.5 billion and at the Bank level, by RM728.4 million to RM849.6 million. The reduction was entirely accounted for by the specific provision. Net specific provision charged for the year fell from RM2.0 billion to RM1.2 billion for the Group and from RM1.3 billion to RM612.1 million for the Bank. The reduction in specific provision was made possible as newly classified non-performing loans (NPL) declined further. For the Bank, newly classified NPL declined from RM4.8 billion to RM3.8 billion while for the Group, it fell from RM7.9 billion to RM6.9 billion. General provision charged for the year, however, increased from RM71.0 million to RM307.1 million for the Group and from RM58.2 million to RM217.0 million for the Bank. The increase was in response to the growth in assets. With this additional charge, the amount of general provision as at end of June 2000 was RM3.0 billion for the Group and RM2.3 billion for the Bank, both representing 3.5% of net loans.

Management's Discussion And Analysis On Financial Position And Result Of Operations (cont'd)

Total overhead expenses of the Group rose by 10.9% to RM1.6 billion. At the Bank level, it rose by 11.9% to RM1.1 billion. This was largely attributed to salary adjustments following the expiry of two collective agreements as well as higher computerization costs. Personnel costs accounted for 50.8% and 55.6% of the increase in total overheads of the Group and Bank respectively. Despite the double-digit growth, cost-to-income ratio remained low at 31.8% for the Bank and 30.4% for the Group.

Taxation charged for the year was RM763.5 million for the Group and RM523.9 million for the Bank. These represent effective tax rates of 35.7% for the Group and 33.9% at the Bank level. While these rates remained above the statutory tax rate, they were already well below the effective tax rate in the past.

Asset Quality

Despite the reduction in the amount of newly classified NPL, total NPL at the end of the period registered an increase. Based on 3-month classification, total NPL for the Bank rose from RM5.4 billion to slightly under RM6.0 billion and for the Group as a whole, it increased from RM8.9 billion to RM9.6 billion. This can be attributed to the fact that the NPL resolution and loan recovery took longer time than anticipated. For this reason,the amount recovered/ regularised during the year remained almost unchanged. Net NPL ratios edged up slightly from 5.3% to 5.6% for the Group and from 3.7% to 4.3% for the Bank. These ratios compared favourably to the average net NPL ratio of 8.6% for commercial banks and 10.5% for the banking system. Reserve cover (excluding collateral value) on non-performing loans remained sufficiently high at 90.4% for the Bank and 78.5% for the Group compared to the industry figure of 49.8% for commercial banks and 45.4% for the banking system.

Amirsham A Aziz
Managing Director

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Directors' Report

The directors have pleasure in submitting their report and the audited accounts of the Bank and of the Group for the year ended June 30, 2000.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in the business of banking in all its aspects which also include Islamic banking business. The principal activities of the subsidiary companies are disclosed in Note 9 to the accounts.

There have been no significant changes in these activities during the year.

RESULTS

	The Bank RM'000	The Group RM'000
Profit before taxation	1,544,401	2,137,488
Taxation	(523,896)	(763,525)
Profit after taxation	1,020,505	1,373,963
Minority interest	–	(13,558)
Profit after taxation and minority interest	1,020,505	1,360,405
Transfer to statutory reserves	(256,000)	(319,729)
Profit retained for the year	764,505	1,040,676
Retained profits brought forward	729,824	1,235,883
Profits available for appropriation	1,494,329	2,276,559
Dealt with as follows:		
Transfer to general reserve	(205,000)	(339,000)
Dilution arising from issue of new shares in subsidiary companies	–	(4,032)
Dividends	(304,117)	(304,117)
	(509,117)	(647,149)
Retained profits carried forward	985,212	1,629,410

ISSUE OF SHARES

During the year, the Bank increased its issued and fully paid up share capital from RM2,308,660,614 to RM2,337,975,214 by the issue of 29,314,600 new ordinary shares of RM1.00 each to eligible persons who exercised their options under the Maybank Group Employee Share Option Scheme (ESOS). The issue of 29,314,600 new ordinary shares consist of the following:

a. 24,451,800 at the option price of RM4.42 per share;
b. 4,516,000 at the option price of RM6.83 per share;
c. 346,600 at the option price of RM12.75 per share; and
d. 200 at the option price of RM16.25 per share.

The new shares issued rank pari passu in all respects with the then existing shares of the Bank.

DIVIDENDS

Dividends paid by the Bank since June 30, 1999 are:

a. a final dividend of 9% less 28% income tax for the year ended June 30, 1999 amounting to RM150,812,203. This includes dividends amounting to RM1,210,995 paid on shares issued on the exercise of options under the ESOS; and

b. an interim dividend of 5% less 28% income tax for the year ended June 30, 2000 amounting to RM84,071,218.

DIVIDENDS (CONT'D)

The directors recommend the payment of a final dividend of 13% less 28% income tax for the year ended June 30, 2000 amounting to RM218,834,480.

MAYBANK GROUP EMPLOYEE SHARE OPTION SCHEME

Under the Maybank Group Employee Share Option Scheme (ESOS or the Scheme) approved by the shareholders,

i. The maximum number of new shares which may be available under ESOS shall be eight point seven five percent (8.75%) or a higher percentage, as may be allowed by the relevant authorities, of the enlarged issued and paid-up share capital of the Bank during the existence of the Scheme.

ii. The eligible persons are employees of the Group who have served the Group for a continuous period of at least twenty four (24) months as at the Date of Offer and directors who hold office in executive capacities in the Group. The eligibility for participation in the Scheme shall be at the absolute discretion of the ESOS Committee appointed by the Board of Directors.

iii. The number of shares to be offered shall not be less than two hundred (200) ordinary shares and up to a maximum of five hundred thousand (500,000) ordinary shares.

iv. The Option period is for five (5) years and shall expire on June 22, 2003.

v. The Option price shall be the average of the mean market quotation (computed as the average of the highest and lowest prices transacted) as shown in the daily official list issued by the Kuala Lumpur Stock Exchange (KLSE) for the five (5) preceding market days prior to the Date of Offer or at RM1 whichever is the higher.

vi. The shares to be allotted upon any exercise of the Option will, upon allotment, rank pari passu in all respects with the then existing issued shares of the Bank.

Details of the share options granted under the Scheme during the financial year are as follows:

	No. Of Share Options				
	Balance At 1.7.1999	**Granted**	***Lapsed**	**Exercised**	**Balance At 30.6.2000**
Option price of RM4.42	68,508,400	–	(649,400)	(24,451,800)	**43,407,200**
Option price of RM6.83	9,617,200	–	(264,600)	(4,516,000)	**4,836,600**
Option price of RM12.75	–	6,158,600	(195,400)	(346,600)	**5,616,600**
Option price of RM16.25	–	4,571,200	(92,400)	(200)	**4,478,600**

* due to resignations or offers not taken up

Assuming full exercise of the unexercised options as at June 30, 2000, the additional number of ordinary shares of the Bank to be issued under the Scheme would be 58,339,000.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year ended June 30, 2000 other than those disclosed in the accounts.

BAD AND DOUBTFUL DEBTS

Before the profit and loss accounts and balance sheets of the Bank and of its subsidiary companies were made up, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and have satisfied themselves that all known bad debts had been written off and adequate provisions have been made for doubtful debts.

Directors' Report (cont'd)

BAD AND DOUBTFUL DEBTS (CONT'D)

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the accounts of the Bank and its subsidiary companies inadequate to any substantial extent.

CURRENT ASSET

Before the profit and loss accounts and balance sheets of the Bank and of its subsidiary companies were made up, the directors took reasonable steps to ensure that any current assets, which were unlikely to realise, in the ordinary course of business, their values as stated in the accounting records of the Bank and its subsidiary companies have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the accounts of the Bank and its subsidiary companies misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities in the accounts of the Bank and of its subsidiary companies misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

a. any charge on the assets of the Bank or of its subsidiary companies which has arisen since June 30, 2000 which secures the liabilities of any other person; or

b. any contingent liability in respect of the Bank or of its subsidiary companies that has arisen since June 30, 2000 other than those arising from normal business operations.

No contingent liability or other liability of the Bank or of its subsidiary companies has become enforceable, or is likely to become enforceable, within the period of twelve months from June 30, 2000 which, in the opinion of the directors, will or may affect the ability of the Bank or its subsidiary companies to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the accounts of the Bank and of its subsidiary companies, which would render any amount stated in the accounts misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

a. the results of the operations of the Bank and of its subsidiary companies for the year ended June 30, 2000 were not substantially affected by any item, transaction or event of a material and unusual nature; and

b. there has not arisen in the interval between June 30, 2000 and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Bank and of its subsidiary companies for the financial year in which this report is made.

DIRECTORS AND THEIR INTERESTS IN SHARES

The directors of the Bank in office since the date of the last Directors' Report and at the date of this Directors' Report are:

Tan Sri Mohamed Basir bin Ahmad (Chairman)
Dato' Richard Ho Ung Hun (Vice-Chairman)
Datuk Amirsham A Aziz (Managing Director)
Raja Tan Sri Muhammad Alias bin Raja Muhd. Ali
Mohammad bin Abdullah
Dato' Mohd Hilmey bin Mohd Taib
Haji Mohd. Hashir bin Haji Abdullah
Dato' Ismail Shahudin (Executive Director)
Teh Soon Poh
Datuk Haji Abdul Rahman bin Mohd Ramli – appointed on November 17, 1999
Dato' Mohd. Salleh bin Hj. Harun (Executive Director) – resigned on May 16, 2000

Dato' Ismail Shahudin and Raja Tan Sri Muhammad Alias bin Raja Muhd. Ali retire by rotation in accordance with Article 96 of the Bank's Articles of Association and, being eligible, offer themselves for re-election.

Datuk Haji Abdul Rahman bin Mohd Ramli retires in accordance with Article 100 of the Bank's Articles of Association and, being eligible, offers himself for re-election.

Dato' Richard Ho Ung Hun, being over seventy years of age, retires in accordance with Section 129 of the Companies Act, 1965 and offers himself for reappointment to hold office until the conclusion of the next Annual General Meeting.

Details of directors' interests in the shares of the Bank during the year covered by the profit and loss account are as follows:

	No. Of Ordinary Shares of RM1 Each			
	Balance At 1.7.1999	**Addition**	**Disposal**	**Balance At 30.6.2000**
Tan Sri Mohamed Basir bin Ahmad	12,000	–	–	**12,000**
Datuk Amirsham A Aziz	39,000	–	–	**39,000**
Dato' Ismail Shahudin	5,000	–	–	**5,000**
Teh Soon Poh	3,504	–	–	**3,504**

Directors' Report (cont'd)

DIRECTORS AND THEIR INTERESTS IN SHARES (CONT'D)

The following directors who held office at June 30, 2000 are deemed to have interest in the shares of the Bank by virtue of options granted under the Maybank Group Employee Share Option Scheme:

	No. Of Share Options			
	Unexercised Options At 1.7.1999	Granted	Exercised	Unexercised Options At 30.6.2000
Datuk Amirsham A Aziz				
– at the option price of RM4.42	135,000	–	–	**135,000**
– at the option price of RM12.75	–	10,000	–	**10,000**
Dato' Ismail Shahudin				
– at the option price of RM4.42	50,000	–	–	**50,000**
– at the option price of RM6.83	8,000	–	–	**8,000**

None of the directors, who held office at June 30, 2000, have any other interests in the shares of the Bank and of its subsidiary companies during the year covered by the profit and loss account.

DIRECTOR'S BENEFITS

The Bank had entered into a tenancy agreement with a director, Dato' Richard Ho Ung Hun, for the Bank to rent a unit of four–storey shophouse to be used as branch premises. The agreement, which was for a three-year term, expired on June 30, 2000 and was subsequently renewed for a further three years. The relevant parties have the option to renew the agreement for up to a maximum of five terms.

Apart from the tenancy agreement as mentioned above and the options granted to certain directors under the Maybank Group Employee Share Option Scheme as set out in the preceding section,

a. since the end of the last financial year, no director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts or the fixed salary of a full-time employee of the Bank, or of a subsidiary company) by reason of a contract made by the Bank or a subsidiary company with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest; and

b. neither during nor at the end of the financial year was the Bank a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

RATINGS BY EXTERNAL RATING AGENCIES

Details of the Bank's ratings are as follows:

Rating Agency	Date	Rating Classification	Rating Received
Moody's Investors Service	March 28, 2000	• Long term deposits	Ba 1
		• Short term deposits	Not prime
		• Subordinated long term debts	Ba 1
		• Financial strength rating	D
		• Possible direction	Up
Standard & Poor's	May 10, 2000	• Long term counterparty	BBB–
		• Short term counterparty	A–3
		• Subordinated notes	BB+
		• Outlook	Developing
Rating Agency Malaysia Berhad	January 7, 2000	• Long term	AA1
		• Short term	P1

BUSINESS OUTLOOK

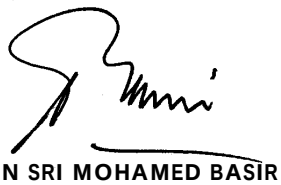
The prospects for the Malaysian economy continue to be positive with GDP growth over the next twelve months expected to be sustained at around 6.5%. Stable economic growth is also expected in most of the countries where the Group has operations. Capitalising on this positive business environment, the Group will strategise to improve its performance further and hence, maintain its position as the leading financial group in Malaysia. This is to be realised through greater leverage on technology and knowledge, strengthening sales culture across the Group, continuing to build up infrastructure for sales, maximising the benefits of back–office centralisation, strengthening risk management framework and exploiting non–traditional fee income sources. The Group will also place strong emphasis on post–merger integration activities with a view of preserving and enhancing the values of the acquired entities.

Based on this, the Group anticipates to perform better in the next financial year.

AUDITORS

Salleh, Leong, Azlan & Co. are not seeking reappointment.

On behalf of the Board,



TAN SRI MOHAMED BASIR BIN AHMAD
Chairman

AMIRSHAM A AZIZ
Managing Director

Kuala Lumpur,
August 29, 2000

Balance Sheets as at June 30, 2000

	Note	The Bank 2000 RM'000	The Bank 1999 RM'000	The Group 2000 RM'000	The Group 1999 RM'000
Assets					
Cash and short-term funds	3	**13,038,751**	9,244,014	**16,195,460**	10,192,512
Securities purchased under resale agreements		**123,721**	87,007	**178,435**	101,994
Deposits and placements with financial institutions	4	**5,235,991**	4,449,440	**5,840,184**	4,820,799
Dealing securities	5	**1,402**	73,667	**875,561**	200,300
Investment securities	6	**11,566,349**	11,041,074	**18,525,301**	20,189,624
Loans and advances	7	**61,606,462**	57,489,376	**79,826,134**	76,301,383
Investment in associated companies	8	**6,180**	6,180	**13,366**	12,939
Investment in subsidiary companies	9	**1,766,546**	1,745,221	**–**	–
Other assets	10	**1,063,239**	827,760	**2,111,478**	1,955,269
Statutory deposits with Central Banks	11	**1,855,797**	1,902,766	**2,608,060**	2,661,535
Fixed assets	12	**792,196**	725,447	**1,148,429**	1,042,174
		97,056,634	87,591,952	**127,322,408**	117,478,529
Liabilities					
Deposits from customers	13	**60,260,443**	57,581,079	**81,866,589**	77,551,009
Deposits and placements of banks and other financial institutions	14	**15,851,025**	11,423,374	**20,090,516**	17,252,250
Obligations on securities sold under repurchase agreements		**3,774,358**	2,471,177	**3,948,241**	3,131,040
Bills and acceptances payable		**5,599,086**	4,855,602	**5,667,843**	4,985,886
Other liabilities	15	**1,868,921**	1,733,956	**4,172,759**	3,464,144
Subordinated obligations	16	**950,000**	1,630,000	**950,000**	1,630,000
		88,303,833	79,695,188	**116,695,948**	108,014,329
Shareholders' Funds					
Share capital	17	**2,337,975**	2,308,661	**2,337,975**	2,308,661
Reserves	18	**6,414,826**	5,588,103	**8,021,746**	6,908,459
		8,752,801	7,896,764	**10,359,721**	9,217,120
Minority Interest		**–**	–	**266,739**	247,080
		97,056,634	87,591,952	**127,322,408**	117,478,529
Commitments And Contingencies	30	**53,671,268**	60,598,746	**62,670,114**	68,383,859

The notes on pages 63 to 114 form part of these accounts.

Profit And Loss Accounts for the year ended June 30, 2000

	Note	The Bank 2000 RM'000	The Bank 1999 RM'000	The Group 2000 RM'000	The Group 1999 RM'000
Interest income	19	**5,135,764**	6,528,776	**7,566,100**	9,608,871
Interest expense	20	**(2,572,534)**	(4,078,016)	**(3,769,139)**	(6,148,469)
Net interest income		**2,563,230**	2,450,760	**3,796,961**	3,460,402
Income from Islamic Banking Scheme operation	36(k)	**93,162**	70,372	**187,166**	107,857
		2,656,392	2,521,132	**3,984,127**	3,568,259
Non–interest income	21	**852,277**	921,747	**1,264,794**	1,151,790
Net income		**3,508,669**	3,442,879	**5,248,921**	4,720,049
Overhead expenses	22	**(1,114,650)**	(996,096)	**(1,593,749)**	(1,437,463)
Operating profit		**2,394,019**	2,446,783	**3,655,172**	3,282,586
Loan loss and provision	23	**(849,618)**	(1,578,038)	**(1,520,327)**	(2,273,893)
		1,544,401	868,745	**2,134,845**	1,008,693
Share of profits in associated companies		**–**	–	**2,643**	2,256
Profit before taxation		**1,544,401**	868,745	**2,137,488**	1,010,949
Taxation	26	**(523,896)**	(58,958)	**(763,525)**	(58,689)
Profit after taxation		**1,020,505**	809,787	**1,373,963**	952,260
Minority interest		**–**	–	**(13,558)**	17,606
Net profit for the year		**1,020,505**	809,787	**1,360,405**	969,866
Transfer to statutory reserves	18	**(256,000)**	(203,762)	**(319,729)**	(209,894)
Profit retained for the year		**764,505**	606,025	**1,040,676**	759,972
Retained profits brought forward		**729,824**	487,781	**1,235,883**	900,839
Profits available for appropriation		**1,494,329**	1,093,806	**2,276,559**	1,660,811
Dealt with as follows:					
Transfer to general reserve	18	**(205,000)**	(164,869)	**(339,000)**	(186,642)
Transfer to capital reserve	18	**–**	–	**–**	(14,697)
Dilution arising from issue of new shares in subsidiary companies		**–**	–	**(4,032)**	(24,476)
Dividends	28	**(304,117)**	(199,113)	**(304,117)**	(199,113)
		(509,117)	(363,982)	**(647,149)**	(424,928)
Retained profits carried forward	18	**985,212**	729,824	**1,629,410**	1,235,883
Earnings per share	29				
– Basic		**43.8 sen**	35.3 sen	**58.4 sen**	42.3 sen
– Fully diluted		**43.1 sen**	34.9 sen	**57.4 sen**	41.8 sen
Dividends per share, net of income tax	28				
– Interim dividend		**3.6 sen**	2.2 sen	**3.6 sen**	2.2 sen
– Final dividend		**9.4 sen**	6.5 sen	**9.4 sen**	6.5 sen

The notes on pages 63 to 114 form part of these accounts.

Statements Of Changes In Equity

for the year ended June 30, 2000

	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	General Reserve RM'000	Retained Profits RM'000	Total RM'000
The Bank								
Balance at July 1, 1998	2,286,828	–	1,774,066	–	128,248	2,546,251	487,781	7,223,174
Net losses not recognised in the income statement	–	–	–	–	(36,637)	–	–	(36,637)
Net profit for the year	–	–	–	–	–	–	809,787	809,787
Transfer to statutory reserve	–	–	203,762	–	–	–	(203,762)	–
Transfer to general reserve	–	–	–	–	–	164,869	(164,869)	–
Issue of shares	21,833	77,720	–	–	–	–	–	99,553
Dividends	–	–	–	–	–	–	(199,113)	(199,113)
Balance at June 30, 1999	**2,308,661**	**77,720**	**1,977,828**	**–**	**91,611**	**2,711,120**	**729,824**	**7,896,764**
Net losses not recognised in the income statement	**–**	**–**	**–**	**–**	**(3,694)**	**–**	**–**	**(3,694)**
Net profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**1,020,505**	**1,020,505**
Transfer to statutory reserve	**–**	**–**	**256,000**	**–**	**–**	**–**	**(256,000)**	**–**
Transfer to general reserve	**–**	**–**	**–**	**–**	**–**	**205,000**	**(205,000)**	**–**
Issue of shares	**29,314**	**114,029**	**–**	**–**	**–**	**–**	**–**	**143,343**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(304,117)**	**(304,117)**
Balance at June 30, 2000	**2,337,975**	**191,749**	**2,233,828**	**–**	**87,917**	**2,916,120**	**985,212**	**8,752,801**

The notes on pages 63 to 114 form part of these accounts.

	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	General Reserve RM'000	Retained Profits RM'000	Total RM'000
The Group								
Balance at July 1, 1998	2,286,828	–	2,254,214	350	179,746	2,785,539	900,839	8,407,516
Net gains/(losses) not recognised in the income statement	–	–	11,265	–	(54,028)	6,334	–	(36,429)
Net profit for the year	–	–	–	–	–	–	969,866	969,866
Transfer to statutory reserve	–	–	209,894	–	–	–	(209,894)	–
Transfer to capital reserve	–	–	–	14,697	–	–	(14,697)	–
Transfer to general reserve	–	–	–	–	–	186,642	(186,642)	–
Issue of shares	21,833	77,720	–	–	–	–	–	99,553
Accretion/(dilution) arising from issue of new shares in a subsidiary company	–	–	–	203	–	–	(24,476)	(24,273)
Dividends	–	–	–	–	–	–	(199,113)	(199,113)
Balance at June 30, 1999	**2,308,661**	**77,720**	**2,475,373**	**15,250**	**125,718**	**2,978,515**	**1,235,883**	**9,217,120**
Net gains/(losses) not recognised in the income statement	**–**	**–**	**670**	**–**	**(27,687)**	**(1,500)**	**–**	**(28,517)**
Net profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**1,360,405**	**1,360,405**
Transfer to statutory reserve	**–**	**–**	**319,729**	**–**	**–**	**–**	**(319,729)**	**–**
Transfer to general reserve	**–**	**–**	**–**	**–**	**–**	**339,000**	**(339,000)**	**–**
Goodwill on consolidation written off	**–**	**–**	**–**	**–**	**–**	**(24,481)**	**–**	**(24,481)**
Issue of shares	**29,314**	**114,029**	**–**	**–**	**–**	**–**	**–**	**143,343**
Dilution arising from issue of new shares in subsidiary companies	**–**	**–**	**–**	**–**	**–**	**–**	**(4,032)**	**(4,032)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(304,117)**	**(304,117)**
Balance at June 30, 2000	**2,337,975**	**191,749**	**2,795,772**	**15,250**	**98,031**	**3,291,534**	**1,629,410**	**10,359,721**

The notes on pages 63 to 114 form part of these accounts.

Cash Flow Statements

for the year ended June 30, 2000

	The Bank		The Group	
	2000	**1999**	**2000**	**1999**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash Flows From Operating Activities				
Profit before taxation	**1,544,401**	868,745	**2,137,488**	1,010,949
Adjustments for:				
Exchange fluctuation	**(3,693)**	(150,387)	**(40,966)**	(136,251)
Profits retained in associated companies	**–**	–	**(2,643)**	(2,256)
Depreciation of fixed assets	**85,872**	76,476	**121,225**	112,070
Gain on disposal of fixed assets	**(597)**	(53)	**(1,191)**	(715)
Amortisation of premiums less accretion of discounts of investment securities	**(14,882)**	8,820	**6,394**	9,718
Provision for diminution in value of investment securities	**73,433**	25,100	**108,875**	24,120
Provision for bad and doubtful debts	**173,752**	451,421	**221,950**	910,653
Interest/income–in–suspense	**131,316**	256,785	**254,670**	438,881
Dividends from investment securities	**(1,642)**	(3,614)	**(9,275)**	(7,356)
Fixed assets written off	**–**	2,429	**2,260**	5,541
Operating profit before changes in operating assets and liabilities	**1,987,960**	1,535,722	**2,798,787**	2,365,354
(Increase)/decrease in securities purchased under resale agreements	**(36,714)**	81,751	**(76,441)**	66,627
(Increase)/decrease in deposits and placements with financial institutions	**(786,551)**	854,685	**(896,351)**	(1,702,551)
Decrease in dealing securities	**72,265**	159,163	**(675,261)**	125,985
(Increase)/decrease in loans and advances	**(4,422,154)**	(1,920,333)	**(4,001,087)**	992,933
(Increase)/decrease in other assets	**(235,479)**	124,964	**(130,130)**	(556,836)
Decrease in statutory deposits with Central Banks	**46,969**	2,639,541	**53,475**	3,786,319
Increase in deposits from customers	**2,679,364**	5,686,728	**4,315,580**	6,823,242
Increase/(decrease) in deposits and placements of banks and other financial institutions	**4,427,651**	(3,932,049)	**2,838,266**	(2,525,241)
Increase/(decrease) in obligations on securities sold under repurchase agreements	**1,303,181**	(181,646)	**817,201**	(1,581,793)
Increase/(decrease) in bills and acceptances payable	**743,484**	(1,275,807)	**681,957**	(1,325,433)
(Decrease)/increase in other liabilities	**(296,969)**	218,414	**(151,537)**	588,828
Cash generated from operations	**5,483,007**	3,991,133	**5,574,459**	7,057,434
Taxation paid	**(161,197)**	(578,830)	**(137,614)**	(782,219)
Net cash from operating activities	**5,321,810**	3,412,303	**5,436,845**	6,275,215

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Cash Flows From Investing Activities				
(Purchase)/sale of investment securities – net	**(583,826)**	(951,804)	**1,660,329**	(2,870,174)
Purchase of fixed assets	**(193,093)**	(122,301)	**(231,611)**	(199,826)
Purchase of subsidiary companies, net of cash acquired	**–**	–	**(103,461)**	(12,778)
Purchase of shares in subsidiary company from minority interest – net	**(21,325)**	(94,889)	**(1,750)**	(25,500)
Proceeds from disposal of fixed assets	**41,069**	11,775	**6,340**	29,403
Dividends from investment securities	**1,642**	3,614	**9,275**	7,356
Net cash used in investing activities	**(755,533)**	(1,153,605)	**1,339,122**	(3,071,519)
Cash Flows From Financing Activities				
Issue of shares by subsidiary companies to minority shareholders	**–**	–	**–**	21,158
Proceeds from issuance of shares	**143,343**	99,553	**143,343**	99,553
Repayment of subordinated obligations	**(680,000)**	–	**(680,000)**	–
Dividends paid to minority shareholders of subsidiary companies	**–**	–	**(2,451)**	(1,121)
Dividends received from associated company	**–**	–	**972**	778
Dividends paid to shareholders of the Bank	**(234,883)**	(98,907)	**(234,883)**	(98,907)
Net cash (used in)/from financing activities	**(771,540)**	646	**(773,019)**	21,461
Net Increase In Cash And Short-Term Funds	**3,794,737**	2,259,344	**6,002,948**	3,225,157
Cash And Short-Term Funds At Beginning Of Year	**9,244,014**	6,984,670	**10,192,512**	6,967,355
Cash And Short-Term Funds At End Of Year (Note 3)	**13,038,751**	9,244,014	**16,195,460**	10,192,512

Cash Flow Statements (cont'd)

for the year ended June 30, 2000

SUMMARY OF EFFECTS OF THE ACQUISITION OF SUBSIDIARY COMPANIES

	The Group	
	2000 RM'000	1999 RM'000
Net assets acquired:		
Cash and short–term funds	**9,666**	35,222
Deposits and placements with financial institutions	**123,034**	8,000
Investment securities	**111,275**	68,262
Loans and advances	**284**	791,722
Statutory deposits with Bank Negara Malaysia	**–**	35,100
Other assets	**26,079**	11,971
Fixed assets	**3,278**	5,080
Deposits from customers	**–**	(703,177)
Deposits and placements of banks and other financial institutions	**–**	(139,512)
Other liabilities	**(165,819)**	(64,668)
Minority interest	**(19,151)**	–
Goodwill on consolidation	**24,481**	–
Cash consideration paid	**113,127**	48,000
Less: Cash of subsidiary companies acquired	**(9,666)**	(35,222)
Net cash outflow on acquisition	**103,461**	12,778

Notes To The Accounts

1. BASIS OF PREPARATION OF THE ACCOUNTS

The accounts of the Bank and of the Group have been prepared in accordance with the provisions of the Companies Act, 1965, Bank Negara Malaysia Guidelines and the applicable approved Malaysian accounting standards. The accounts incorporate those activities relating to Islamic Banking business (IBS) which have been undertaken by the Bank and the Group.

IBS refers generally to the acceptance of deposits and granting of financing under the Syariah principles.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The accounts of the Bank and of the Group are prepared under the historical cost convention.

b. Basis of Consolidation

The Group profit and loss account and balance sheet include the accounts of the Bank and its subsidiary companies, as listed in Note 9, made up to June 30, 2000.

The results of subsidiary companies acquired or disposed during the financial year are included in the Group profit and loss account from the date of their acquisition or up to the date of their disposal.

Goodwill on consolidation, representing the excess of the purchase price over the fair values of net assets of subsidiary companies at the dates of acquisition, is written off in full against Group general reserve.

All significant intercompany transactions and balances have been eliminated on consolidation.

c. Investment in Subsidiary Companies

A subsidiary company is a company in which the Group controls the composition of its board of directors or more than half of its voting power, or holds more than half of its issued ordinary share capital.

Investment in subsidiary companies are stated at cost and are written down when the directors consider that there is a permanent diminution in the value of such investments.

d. Investment in Associated Companies

The Group treats as associated companies those companies in which a long-term equity interest of between 20 and 50 percent is held and where it exercises significant influence through management participation.

The Group profit and loss account includes the Group's share of the results of the associated companies based on their accounts made up to June 30, 2000. In the Group balance sheet, the investment in associated companies is shown at cost plus its share of post–acquisition retained profits.

e. Dealing Securities

Dealing securities are stated at the lower of cost and net realisable value.

f. Investment Securities

Investment securities are securities that are acquired and held for yield or capital growth or to meet minimum liquid assets requirement and are usually held to maturity.

Notes To The Accounts (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. Investment Securities (Cont'd)

Malaysian government securities, Malaysian government investment issues, Malaysian government floating rate notes, Cagamas bonds and other government securities are stated at cost adjusted for amortisation of premium or accretion of discount, where applicable, to maturity dates.

Other quoted investments are stated at the lower of cost and market value.

Unquoted investments are stated at cost. Provision is made for permanent diminution in value where considered appropriate.

g. Provision for Bad and Doubtful Debts

Specific provisions are made for bad and doubtful debts which have been individually reviewed and specifically identified as bad or doubtful.

In addition, a general provision based on total weighted risk assets, which takes into account all balance sheet items and their perceived risk levels, is maintained.

h. Amount Recoverable from Pengurusan Danaharta Nasional Berhad (Danaharta)

This relates to the loans sold to Danaharta where the total consideration is received in two portions; upon the sale of the loans (initial consideration) and upon the recovery of the loans (final consideration). The final consideration amount represents the Bank's predetermined share of the surplus over the initial consideration upon recovery of the loans.

The difference between the carrying value of the loans and the initial consideration is recognised as "amount recoverable from Danaharta" within the "other assets" component of the balance sheet. Provisions against these amounts are made to reflect the directors' assessment of the realisable value of the final consideration as at the balance sheet date.

i. Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Freehold land is not amortised.

Leasehold land is amortised over the period of the respective leases.

Buildings on freehold land are amortised over fifty years.

Buildings on leasehold land are amortised over the shorter of fifty years or the period of the respective leases.

Other fixed assets are depreciated on a straight line basis to write off the cost of the assets over their estimated useful lives. The principal annual rates of depreciation used for this purpose are as follows:

Office furniture, fittings, equipment and renovations	10% to 25%
Data processing equipment	14% to 25%
Electrical and security equipment	8% to 25%
Motor vehicles	20% to 25%

j. Costs Incurred for Year 2000 Readiness

Costs of improving computer software and hardware necessary to achieve the Year 2000 readiness are capitalised only to the extent that the expenditure represents an enhancement of the assets or an extension of the estimated useful lives of the assets. Other costs associated with upgrading, modification or improvement are recognised as an expense when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Repurchase Agreements

Securities purchased under resale agreements are securities which the Group had purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the balance sheet.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group had sold from its portfolio, with a commitment to repurchase at future dates. Such financing transactions and corresponding obligations to purchase the securities are reflected as a liability on the balance sheet.

l. Bills and Acceptances Payable

Bills and acceptances payable represent the Group's own bills and acceptances rediscounted and outstanding in the market.

m. Deferred Taxation

The liability method has been adopted in providing for deferred taxation on all material timing differences which arise where the bases for determining taxable income differ from those used to determine accounting income except where it is considered reasonably probable that such timing differences will not reverse in the foreseeable future. However, where the timing differences give rise to deferred tax benefits, these net benefits are not recognised.

n. Insurance Funds

The general insurance fund represents reserves for unexpired risks computed on the 25% method for marine and aviation cargo and transit business; 1/24th method for all other classes of general business, reduced by the percentage of accounted gross direct business commission to the corresponding premium; and 1/8th method for all classes of overseas inward treaty business.

The life assurance fund is based on the actuarial valuation of the fund made up to June 30, 2000.

o. Provision for Outstanding Claims

For general insurance business, provision is made for the estimated costs of all claims incurred together with related expenses less reinsurance recoveries in respect of claims notified but not settled at balance sheet date. In addition, full provision is also made for the probable cost of claims together with related expenses incurred but not reported at balance sheet date using a statistical method based on past claims experience.

For life assurance business, provision is made for the estimated costs of all claims together with related expenses in respect of claims notified but not settled at balance sheet date using the case-by-case basis.

p. Income Recognition

Interest income is recognised on an accrual basis.

Interest income on overdrafts, term loans and housing loans is accounted for on a straight line basis by reference to the rest periods as stipulated in the loan agreements. Interest income from hire-purchase, block discounting and leasing transactions is accounted for on the "sum-of-the-digits" method, whereby the income recognised for each month is obtained by multiplying the total income by a fraction whose numerator is the digit representing the remaining number of months and whose denominator is the sum of the digits representing the total number of months.

Notes To The Accounts (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p. Income Recognition (Cont'd)

Where an account has turned non-performing, interest is suspended with retroactive adjustment made to the date of first default. Thereafter, interest on these accounts are recognised on a cash basis until such time as the accounts are no longer classified as non-performing. Customers' accounts are deemed to be non–performing where repayments are in arrears for three months.

Income from the Islamic banking business is recognised on the accrual basis in compliance with Bank Negara Malaysia's guidelines.

q. Fee and Other Income Recognition

Loan arrangement, management and participation fees, factoring commissions, underwriting commissions and brokerage fees are recognised as income based on contractual arrangements. Guarantee fee is recognised as income upon issuance of the guarantee. Fees from advisory and corporate finance activities are recognised as income on completion of each stage of the assignment.

Dividends from dealing and investment securities are recognised when received.

Premiums from general insurance business are recognised as income on the date of assumption of risks and for inward treaty business on the date of the receipt of the accounts after setting aside reserves for unexpired risks computed on the 25% method for marine and aviation cargo and transit business; the 1/24th method for all other classes of general business, reduced by the percentage of accounted gross direct business commission to the corresponding premium; and 1/8th method for all classes of overseas inward treaty business.

First premiums for life assurance business are recognised as income on assumption of risks and subsequent premiums are recognised on due dates. Premiums outstanding at balance sheet date are recognised as income for the period provided they are still within the grace period allowed for payment.

r. Currency Translations

Transactions in foreign currencies are translated into Ringgit Malaysia at rates ruling on transaction dates. Foreign currency monetary assets and liabilities outstanding at balance sheet date are restated in the balance sheet at spot rates of exchange ruling at that date. All exchange gains and losses are recognised in the profit and loss account.

The accounts of foreign branches and foreign subsidiaries are converted into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. Gains or losses arising on translation into Ringgit Malaysia are taken to an exchange fluctuation reserve. Translation losses in excess of amounts in the exchange fluctuation reserve are taken to the profit and loss account.

s. Foreign Exchange Contracts

Foreign exchange trading positions, including spot and forward contracts, are revalued at prevailing market rates at balance sheet date and the resultant gains and losses are recognised in the profit and loss account.

t. Cash and Cash Equivalent

Cash equivalents are short term, highly liquid balances that are readily convertible to cash with insignificant risk to changes in value.

3. CASH AND SHORT-TERM FUNDS

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Cash and balances with banks and other financial institutions	**13,038,751**	8,794,014	**15,795,134**	9,717,894
Money at call	**–**	450,000	**400,326**	474,618
	13,038,751	9,244,014	**16,195,460**	10,192,512

4. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Licensed banks	**3,305,336**	2,084,312	**3,344,099**	1,719,631
Licensed finance companies	**220,000**	465,000	**192,624**	421,021
Other financial institutions	**1,710,655**	1,900,128	**2,303,461**	2,680,147
	5,235,991	4,449,440	**5,840,184**	4,820,799

5. DEALING SECURITIES

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Money market instruments:				
Quoted in Malaysia:				
Cagamas bonds	**1,402**	73,667	**51,320**	129,249
Malaysian government securities	**–**	–	**60,400**	–
	1,402	73,667	**111,720**	129,249
Unquoted:				
Malaysian government treasury bills	**–**	–	**7,445**	9,898
Bank Negara Malaysia bills	**–**	–	**24,844**	–
Corporate bonds	**–**	–	**66,366**	–
Bankers' acceptances	**–**	–	**305,136**	–
Cagamas notes	**–**	–	**34,608**	4,875
Others	**–**	–	**303,241**	47,745
	–	–	**741,640**	62,518
	1,402	73,667	**853,360**	191,767
Quoted securities:				
Shares and trust units quoted in Malaysia	**–**	–	**22,201**	8,533
	1,402	73,667	**875,561**	200,300
Market value of quoted securities:				
Malaysian government securities	**–**	–	**60,450**	–
Cagamas bonds	**1,422**	73,667	**52,867**	130,381
Shares and trust units quoted in Malaysia	**–**	–	**26,690**	12,367
	1,422	73,667	**140,007**	142,748

Notes To The Accounts (cont'd)

6. INVESTMENT SECURITIES

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Money market instruments				
Quoted:				
Malaysian government securities	**987,293**	1,415,009	**3,666,067**	4,012,488
Cagamas bonds	**560,869**	898,713	**777,453**	1,133,166
Other government securities	**995,843**	873,009	**996,083**	873,009
Private debt securities	**–**	–	**25,153**	54,195
	2,544,005	3,186,731	**5,464,756**	6,072,858
Unquoted:				
Malaysian government treasury bills	**1,241,753**	455,335	**1,241,753**	548,095
Malaysian government investment certificates	**84,118**	86,031	**182,026**	183,957
Other government certificates	**–**	–	**91,490**	99,446
Cagamas notes	**1,706,760**	1,355,622	**1,706,760**	1,588,847
Bank Negara Malaysia bills	**1,691,664**	–	**1,692,369**	–
Other government treasury bills	**293,286**	404,438	**377,175**	451,155
Negotiable instruments of deposit	**1,450,000**	2,030,043	**1,185,263**	3,190,621
Bankers' acceptances	**550,028**	1,834,340	**1,188,128**	2,924,807
Private and Islamic debt securities	**527,379**	423,881	**2,296,283**	1,892,215
Corporate bonds	**113,307**	164,224	**826,161**	1,027,241
Other unquoted money market instruments	**–**	–	**167,928**	111,865
	7,658,295	6,753,914	**10,955,336**	12,018,249
	10,202,300	9,940,645	**16,420,092**	18,091,107
Quoted securities:				
In Malaysia				
Shares, warrants and trust units	**72,502**	72,502	**463,882**	253,800
Malaysian government floating rate notes	**227,749**	121,478	**227,749**	121,478
Commercial bills, bonds and notes	**–**	–	**9,032**	3,583
	300,251	193,980	**700,663**	378,861
Outside Malaysia				
Shares	**–**	–	**24,047**	2,215
Other floating rate notes	**815,819**	658,355	**815,819**	658,355
	815,819	658,355	**839,866**	660,570
Carried forward	**1,116,070**	852,335	**1,540,529**	1,039,431

6. INVESTMENT SECURITIES (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Money market instruments (cont'd)				
Brought forward	**1,116,070**	852,335	**1,540,529**	1,039,431
Unquoted securities:				
Shares and trust units	**117,186**	101,038	**224,618**	209,608
Private debt securities	**–**	–	**438**	384
Commercial bills, bonds and notes	**507,285**	464,997	**778,435**	1,172,636
	624,471	566,035	**1,003,491**	1,382,628
	11,942,841	11,359,015	**18,964,112**	20,513,166
Amortisation of premiums less accretion of discounts	**(84,052)**	(98,934)	**(35,577)**	(29,183)
	11,858,789	11,260,081	**18,928,535**	20,483,983
Provision for diminution in value of –				
Other government securities	**(496)**	–	**(496)**	–
Private and Islamic debt securities	**(6,398)**	–	**(50,398)**	(42,000)
Corporate bonds	**–**	–	**–**	(13,764)
Shares, warrants and trust units quoted in Malaysia	**(2,368)**	(735)	**(49,043)**	(2,845)
Commercial bills, bonds and notes	**(157,090)**	(85,500)	**(159,294)**	(86,087)
Shares quoted outside Malaysia	**–**	–	**(1,656)**	(1,195)
Other floating rate notes – outside Malaysia	**(126,088)**	(132,772)	**(126,088)**	(132,772)
Unquoted shares and trust units	**–**	–	**(16,259)**	(15,696)
	(292,440)	(219,007)	**(403,234)**	(294,359)
	11,566,349	11,041,074	**18,525,301**	20,189,624
Market value of quoted securities:				
Malaysian government securities	**928,410**	1,350,540	**3,481,987**	3,874,418
Cagamas bonds	**565,591**	911,599	**782,204**	1,129,323
Other government securities	**995,071**	873,009	**995,307**	873,009
Private debt securities	**–**	–	**31,880**	59,834
Shares, warrants and trust units quoted in Malaysia	**87,203**	156,835	**455,798**	381,576
Malaysian government floating rate notes	**231,007**	119,287	**231,007**	119,287
Commercial bills, bonds and notes	**–**	–	**10,038**	4,250
Shares quoted outside Malaysia	**–**	–	**24,118**	1,021
Other floating rate notes – outside Malaysia	**723,483**	555,732	**723,483**	555,732
	3,530,765	3,967,002	**6,735,822**	6,998,450

Notes To The Accounts (cont'd)

6. INVESTMENT SECURITIES (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
The maturity structure of money market instruments held for investment are as follows:				
Maturing within one year	**7,780,981**	7,141,230	**9,790,683**	11,008,930
Maturing between one year to three years	**1,253,011**	1,643,226	**2,621,591**	2,715,069
Maturing between three years to five years	**606,056**	760,200	**2,050,362**	2,530,723
Maturing after five years	**562,252**	395,989	**1,957,456**	1,836,385
	10,202,300	9,940,645	**16,420,092**	18,091,107

7. LOANS AND ADVANCES

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Overdrafts	**12,344,072**	12,990,739	**12,337,017**	12,937,677
Term loans – fixed rate	**3,519,380**	3,255,679	**3,704,516**	3,462,696
Term loans – floating rate	**42,700,121**	39,137,513	**55,472,100**	54,050,963
Credit card receivables	**644,968**	507,559	**859,003**	672,738
Bills receivable	**440,896**	473,957	**445,451**	474,037
Trust receipts	**1,183,989**	886,576	**1,202,027**	889,930
Claims on customers under acceptance credits	**6,095,507**	5,193,984	**6,167,493**	5,324,317
Hire purchase and block discounting receivables	**864,201**	743,504	**10,080,515**	7,842,264
Floor stocking receivables	**26,829**	9,828	**72,854**	43,620
Lease receivables	**–**	–	**54,004**	46,753
Factored receivables	**25,388**	42,397	**65,038**	82,576
Staff loans	**455,746**	386,326	**569,172**	478,592
Housing loans to				
– directors of the Bank	**76**	145	**76**	168
– other directors	**1,605**	1,763	**2,166**	2,651
Others	**1,951**	–	**15,012**	13,004
	68,304,729	63,629,970	**91,046,444**	86,321,986
Unearned interest and income	**(1,235,135)**	(982,530)	**(3,460,464)**	(2,737,377)
Gross loans and advances	**67,069,594**	62,647,440	**87,585,980**	83,584,609
Provision for bad and doubtful debts				
– specific	**(2,403,849)**	(2,445,919)	**(3,512,466)**	(3,593,101)
– general	**(2,285,910)**	(2,070,088)	**(3,030,320)**	(2,727,735)
Interest/income–in–suspense	**(773,373)**	(642,057)	**(1,217,060)**	(962,390)
Net loans and advances	**61,606,462**	57,489,376	**79,826,134**	76,301,383

7. LOANS AND ADVANCES (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Loans and advances analysed by their economic purposes are as follows:				
Domestic operations –				
Agriculture	**1,021,162**	804,148	**1,094,882**	876,092
Mining and quarrying	**203,119**	157,731	**230,497**	197,004
Manufacturing	**10,395,516**	9,339,881	**11,170,002**	10,082,255
Electricity, gas and water	**1,958,853**	2,019,334	**1,988,543**	2,053,576
Construction	**4,439,419**	4,920,125	**5,862,929**	6,494,962
Real estate	**771,301**	686,517	**1,212,891**	1,274,107
Purchase of landed property	**10,704,020**	8,749,732	**14,169,046**	11,805,679
(of which: Residential	**7,581,038**	5,872,539	**9,501,254**	7,348,495
Non–Residential)	**3,122,982**	2,877,193	**4,667,792**	4,457,184
General commerce	**4,337,083**	3,855,981	**4,863,851**	4,446,236
Transport, storage and communication	**2,163,796**	2,290,341	**2,314,977**	2,466,329
Finance, insurance and business service	**10,271,982**	10,054,375	**10,687,669**	10,512,109
Purchase of securities	**3,905,131**	3,363,564	**6,921,968**	7,074,601
Purchase of transport vehicles	**12,636**	12,357	**5,854,448**	5,281,078
Consumption credit	**2,336,476**	1,893,052	**2,742,504**	2,265,574
Others	**2,628,323**	1,785,641	**2,847,997**	2,082,245
	55,148,817	49,932,779	**71,962,204**	66,911,847
Overseas operations –				
Singapore	**9,398,090**	9,970,454	**9,398,090**	9,970,454
Labuan Offshore	**–**	–	**3,201,327**	3,410,587
United States of America	**461,059**	435,641	**461,059**	435,641
United Kingdom	**308,413**	474,954	**308,413**	474,954
Hong Kong	**1,155,771**	1,237,655	**1,155,771**	1,237,655
Brunei	**369,368**	407,774	**369,368**	407,774
Vietnam	**183,338**	171,385	**183,338**	171,385
Cambodia	**44,738**	16,798	**44,738**	16,798
Papua New Guinea	**–**	–	**23,192**	19,328
Philippines	**–**	–	**228,433**	202,276
Indonesia	**–**	–	**250,047**	325,910
	11,920,777	12,714,661	**15,623,776**	16,672,762
	67,069,594	62,647,440	**87,585,980**	83,584,609
The maturity structure of loans and advances are as follows:				
Maturing within one year	**45,014,143**	44,722,227	**48,695,915**	50,039,833
Maturing between one year to three years	**2,987,793**	2,920,145	**6,912,688**	6,767,242
Maturing between three years to five years	**4,386,075**	2,337,083	**8,585,704**	6,809,559
Maturing after five years	**14,681,583**	12,667,985	**23,391,673**	19,967,975
	67,069,594	62,647,440	**87,585,980**	83,584,609

Notes To The Accounts (cont'd)

7. LOANS AND ADVANCES (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Movements in the non-performing loans (including interest and income receivable) are as follows:				
Balance at July 1	**5,368,299**	4,369,924	**8,885,309**	7,024,105
Amount classified during the year	**3,852,289**	4,858,628	**6,920,888**	7,884,477
Amount recovered/regularised during the year	**(2,487,463)**	(2,704,688)	**(4,541,165)**	(4,669,102)
Amount written off	**(720,287)**	(313,904)	**(1,488,314)**	(545,805)
Non–performing loans of a subsidiary company acquired	**–**	–	**–**	263,931
Transfer of non–performing loans of a subsidiary company	**–**	265,640	**–**	–
Amount sold to Danaharta	**(144,630)**	(1,068,106)	**(217,034)**	(1,267,698)
Exchange difference and expenses debited to customers' accounts	**93,021**	(39,195)	**19,993**	195,401
Balance at June 30	**5,961,229**	5,368,299	**9,579,677**	8,885,309
Ratio of net non–performing loans to total loans including loans sold to Cagamas less specific provision and interest/income–in–suspense	**4.29%**	3.73%	**5.64%**	5.30%
Movements in the provision for bad and doubtful debts and interest/ income–in–suspense accounts are as follows:				
Specific provision				
Balance at July 1	**2,445,919**	2,037,831	**3,593,101**	2,739,589
Provision made during the year	**1,094,411**	1,863,302	**2,111,876**	3,121,115
Amount written back in respect of recoveries	**(481,969)**	(477,875)	**(869,880)**	(1,076,327)
Amount written off	**(618,306)**	(222,047)	**(1,224,847)**	(415,476)
Amount sold to Danaharta	**(31,847)**	(753,466)	**(51,441)**	(802,410)
Transfer from general provision	**–**	1,539	**(1,827)**	4,560
Specific provision of a subsidiary company acquired	**–**	–	**–**	68,180
Transfer of specific provision of a subsidiary company	**–**	72,430	**–**	–
Exchange difference	**(4,359)**	(75,795)	**(44,516)**	(46,130)
Balance at June 30	**2,403,849**	2,445,919	**3,512,466**	3,593,101

7. LOANS AND ADVANCES (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
General provision				
Balance at July 1	**2,070,088**	2,026,755	**2,727,735**	2,670,594
Provision made during the year	**217,000**	58,193	**362,621**	127,845
Amount written back	**–**	–	**(58,689)**	(56,799)
General provision of subsidiary companies acquired	**–**	–	**–**	11,837
Transfer to specific provision	**–**	(1,539)	**1,827**	(4,560)
Exchange difference	**(1,178)**	(13,321)	**(3,174)**	(21,182)
Balance at June 30	**2,285,910**	2,070,088	**3,030,320**	2,727,735
As a percentage of total loans including loans sold to Cagamas less specific provision and interest/ income-in-suspense	**3.50%**	3.39%	**3.52%**	3.34%
Interest/income-in-suspense				
Balance at July 1	**642,057**	385,272	**962,390**	523,509
Provision made during the year	**591,504**	654,654	**1,051,535**	843,922
Amount written back in respect of recoveries	**(239,924)**	(232,231)	**(466,517)**	(225,321)
Amount written off	**(195,492)**	(70,562)	**(294,366)**	(98,792)
Amount sold to Danaharta	**(22,847)**	(86,059)	**(34,225)**	(117,911)
Interest/income-in-suspense of a subsidiary company acquired	**–**	–	**–**	47,645
Exchange difference	**(1,925)**	(9,017)	**(1,757)**	(10,662)
Balance at June 30	**773,373**	642,057	**1,217,060**	962,390

Notes To The Accounts (cont'd)

8. INVESTMENT IN ASSOCIATED COMPANIES

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unquoted shares, at cost	**6,180**	6,180	**6,180**	6,180
Share of post-acquisition retained profits	**–**	–	**7,186**	6,759
	6,180	6,180	**13,366**	12,939
Represented by:				
Share of net tangible assets			**13,366**	12,939

Details of the associated companies are as follows:

Name	Group Interest 2000	Group Interest 1999	Country Of Incorporation	Principal Activities
Computer Recovery Centre Sdn. Bhd.	**45%**	45%	Malaysia	Computer disaster recovery services.
Uzbek Leasing International A.O.	**35%**	35%	Uzbekistan	Leasing.

9. INVESTMENT IN SUBSIDIARY COMPANIES

	The Bank	
	2000 RM'000	1999 RM'000
Unquoted shares, at cost		
– in Malaysia	**1,416,377**	1,312,233
– outside Malaysia	**350,169**	432,988
	1,766,546	1,745,221

9. INVESTMENT IN SUBSIDIARY COMPANIES (C0NT'D)

Details of the subsidiary companies are as follows:

Name	Principal Activities	Country of Incorporation	Issued And Paid-Up Share Capital 2000 RM	Issued And Paid-Up Share Capital 1999 RM	Group Interest 2000 %	Group Interest 1999 %
Banking						
# PT. Bank Maybank Nusa International	Banking	Indonesia	**228,953,500,000**	190,550,000,000 (1)	**87**	84
# Maybank International (L) Ltd	Offshore Banking	Malaysia	**10,000,000**	10,000,000 (2)	**100**	100
# Maybank (PNG) Limited	Banking and Financial Services	Papua New Guinea	**5,000,000**	5,000,000 (3)	**100**	100
# Maybank Philippines, Incorporated	Banking	Philippines	**1,770,356,139**	1,770,356,139 (4)	**60**	60
Finance						
Mayban Finance Berhad	Finance Company	Malaysia	**551,250,000**	551,250,000	**100**	100
# MFSL Limited	Ceased Operations	Singapore	**12,000,000**	20,000,000 (5)	**100**	100
Supreme Finance (M) Berhad	Ceased Operations	Malaysia	**–**	270,000	**–**	85
Aseamlease Berhad	Leasing	Malaysia	**20,000,000**	20,000,000	**72**	72
Aseam Credit Sdn. Bhd.	Hire Purchase	Malaysia	**20,000,000**	20,000,000	**72**	72
Mayban Factoring Berhad	Factoring Services	Malaysia	**2,000,000**	2,000,000	**100**	100
Anfin Berhad (formerly known as Amanah Finance Malaysia Berhad)	Ceased Operations	Malaysia	**106,000,000**	106,000,000	**100**	100

 # Subsidiary companies not audited by Salleh, Leong, Azlan & Co.

(1) Indonesia rupiah
(2) US dollars
(3) PNG kina
(4) Philippines peso
(5) Singapore dollars
(6) Hongkong dollars

Notes To The Accounts (cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name	Principal Activities	Country of Incorporation	Issued And Paid-Up Share Capital 2000 RM	Issued And Paid-Up Share Capital 1999 RM	Group Interest 2000 %	Group Interest 1999 %
Insurance						
Mayban Assurance Berhad	General Insurance	Malaysia	**82,000,000**	50,000,000	**94**	90
Mayban Life Assurance Bhd.	Life Assurance	Malaysia	**100,000,000**	100,000,000	**92**	92
# Mayban Life International (Labuan) Ltd	Life Assurance	Malaysia	**3,500,000**	3,500,000 (2)	**64**	64
# UMBC Insurans Berhad	General Insurance	Malaysia	**48,000,000**	–	**76**	–
Investment Banking						
Aseambankers Malaysia Berhad	Merchant Banking	Malaysia	**50,116,000**	50,116,000	**70**	70
Mayban Securities (Holdings) Sendirian Berhad	Investment Holding	Malaysia	**25,000,000**	25,000,000	**100**	100
Mayban Securities Sendirian Berhad	Stockbroking	Malaysia	**20,000,000**	20,000,000	**100**	100
Mayban Discount Berhad	Discount House	Malaysia	**45,000,000**	45,000,000	**91**	91
Mayban Futures Sdn. Bhd.	Futures Broking and Investment Advisory Services	Malaysia	**10,000,000**	10,000,000	**100**	100
Asset Management/Trustees/Custody						
Mayban Property Trust Management Berhad	Property Trust Fund Management	Malaysia	**5,000,000**	5,000,000	**100**	100
Mayban Management Berhad	Unit Trust Fund Management	Malaysia	**4,000,000**	4,000,000	**93**	93

 # Subsidiary companies not audited by Salleh, Leong, Azlan & Co.

(1) Indonesia rupiah
(2) US dollars
(3) PNG kina
(4) Philippines peso
(5) Singapore dollars
(6) Hongkong dollars

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT')

Name	Principal Activities	Country of Incorporation	Issued And Paid-Up Share Capital 2000 RM	Issued And Paid-Up Share Capital 1999 RM	Group Interest 2000 %	Group Interest 1999 %
Asset Management/Trustees/Custody						
# Mayban International Trust (Labuan) Berhad	Trustee Services	Malaysia	**150,000**	150,000	**100**	100
# Mayban Offshore Corporate Services (Labuan) Sdn. Bhd.	Dormant	Malaysia	**2**	2	**100**	100
Mayban Trustees Berhad	Trustee Services	Malaysia	**500,000**	500,000	**100**	100
Mayban Ventures Sdn. Bhd.	Venture Capital	Malaysia	**10,000,000**	10,000,000	**91**	91
Mayban Venture Capital Company Sdn. Bhd.	Dormant	Malaysia	**2**	2	**100**	100
# RPB Venture Capital Corporation	Venture Capital	Philippines	**8,560,000**	8,560,000 (4)	**36**	36
Mayban-JAIC Capital Management Sdn. Bhd.	Investment Advisory and Administration Services	Malaysia	**2,000,000**	2,000,000	**46**	46
Mayban Investment Management Sdn. Bhd.	Fund Management	Malaysia	**5,000,000**	5,000,000	**89**	58
# Philmay Property, Inc.	Property leasing and trading	Philippines	**100,000,000**	100,000,000 (4)	**60**	60
Mayban (Nominees) Sendirian Berhad	Nominee Services	Malaysia	**31,000**	31,000	**100**	100
Mayban Nominees (Tempatan) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**100**	100

 # Subsidiary companies not audited by Salleh, Leong, Azlan & Co.

(1) Indonesia rupiah
(2) US dollars
(3) PNG kina
(4) Philippines peso
(5) Singapore dollars
(6) Hongkong dollars

Notes To The Accounts (cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name	Principal Activities	Country of Incorporation	Issued And Paid-Up Share Capital 2000 RM	Issued And Paid-Up Share Capital 1999 RM	Group Interest 2000 %	Group Interest 1999 %
Asset Management/Trustees/Custody						
Mayban Nominees (Asing) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**100**	100
# Mayban Nominees (Singapore) Pte. Ltd.	Nominee Services	Singapore	**60,000**	60,000 (5)	**100**	100
# Mayban Nominees (Hongkong) Limited	Nominee Services	Hongkong	**3**	3 (6)	**100**	100
Aseam Malaysia Nominees (Tempatan) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**70**	70
Aseam Malaysia Nominees (Asing) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**70**	70
Mayfin Nominees (Tempatan) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**100**	100
Mayban Securities Nominees Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**100**	100
Mayban Securities Nominees (Tempatan) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**100**	100
Mayban Securities Nominees (Asing) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**100**	100
# MFSL Nominees Pte. Ltd.	Nominee Services	Singapore	**60,000**	60,000 (5)	**100**	100
AFMB Nominees (Tempatan) Sdn. Bhd.	Nominee Services	Malaysia	**10,000**	10,000	**100**	100

 # Subsidiary companies not audited by Salleh, Leong, Azlan & Co.

(1) Indonesia rupiah
(2) US dollars
(3) PNG kina
(4) Philippines peso
(5) Singapore dollars
(6) Hongkong dollars

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

During the year,

a. the Bank subscribed for an additional 38,403.5 new ordinary shares of Rupiah 1,000,000 each, issued for cash at par, in PT. Bank Maybank Nusa International;

b. the Bank's shareholding in MFSL Limited was reduced to 12,000,000 ordinary shares as a result of a capital reduction scheme undertaken by the subsidiary company;

c. a subsidiary company, Mayban Finance Berhad, acquired the entire issued and fully paid share capital of Mayban Factoring Berhad comprising 2,000,000 ordinary shares of RM1 each from the Bank;

d. the Bank's shareholding in Mayban Assurance Berhad was increased by 32,000,000 new ordinary shares of RM1 each as a result of a rights issue of sixteen (16) new ordinary shares for every twenty five (25) existing ordinary shares held, at an issue price of RM3.28 per share;

e. a subsidiary company, Mayban Assurance Berhad acquired 38,786,487 ordinary shares of RM1 each in UMBC Insurans Berhad for cash at RM2.92 per share; and

f. the Bank and Aseambankers Malaysia Berhad acquired 1,076,250 and 673,750 ordinary shares of RM1 each respectively in Mayban Investment Management Sdn. Bhd. from a minority shareholder.

10. OTHER ASSETS

	The Bank		The Group	
	2000 RM'000	**1999 RM'000**	**2000 RM'000**	**1999 RM'000**
Interest receivable	**417,592**	463,307	**481,843**	569,585
Other debtors, deposits and prepayments	**645,647**	364,453	**1,515,270**	1,323,845
Foreclosed properties	**–**	–	**16,081**	6,881
Investment properties	**–**	–	**98,284**	54,958
Amount recoverable from Danaharta	**–**	–	**–**	–
	1,063,239	827,760	**2,111,478**	1,955,269
Amount recoverable from Danaharta				
Balance as at July 1	**–**	–	**–**	–
Amount arising during the year	**7,924**	192,200	**7,924**	199,378
Provision made during the year	**(7,924)**	(192,200)	**(7,924)**	(199,378)
Balance as at June 30	**–**	–	**–**	–

11. STATUTORY DEPOSITS WITH CENTRAL BANKS

	The Bank		The Group	
	2000 RM'000	**1999 RM'000**	**2000 RM'000**	**1999 RM'000**
With Bank Negara Malaysia	**1,586,000**	1,633,542	**2,318,622**	2,377,853
With other Central Banks	**269,797**	269,224	**289,438**	283,682
	1,855,797	1,902,766	**2,608,060**	2,661,535

The non-interest-bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958, the amounts of which are determined as set percentages of total eligible liabilities. The statutory deposits of the foreign branches and subsidiary companies are maintained with their respective Central Banks in compliance with the applicable legislations.

Notes To The Accounts (cont'd)

12. FIXED ASSETS

	Properties RM'000	Office Furniture, Fittings, Equipment & Renovations RM'000	Data Processing Equipment RM'000	Electrical & Security Equipment RM'000	Motor Vehicles RM'000	Buildings-in Progress RM'000	Total RM'000
The Bank – 2000							
Cost:							
Balance at July 1, 1999	**633,340**	**326,048**	**379,346**	**74,953**	**25,591**	**61,604**	**1,500,882**
Additions	**7,646**	**6,911**	**34,951**	**1,485**	**2,041**	**111,708**	**164,742**
Transfers	**32,624**	**11,872**	**18,814**	**2,127**	**9**	**(65,446)**	**–**
Disposals/ write–offs	**(1,460)**	**(68,383)**	**(16,724)**	**(972)**	**(1,959)**	**(243)**	**(89,741)**
Balance at June 30, 2000	**672,150**	**276,448**	**416,387**	**77,593**	**25,682**	**107,623**	**1,575,883**
Accumulated Depreciation:							
Balance at July 1, 1999	**117,666**	**258,922**	**309,587**	**69,310**	**19,950**	**–**	**775,435**
Charge for the year	**11,915**	**28,212**	**39,686**	**2,887**	**3,172**	**–**	**85,872**
Eliminated on disposal/write–off	**(46)**	**(68,136)**	**(6,645)**	**(948)**	**(1,845)**	**–**	**(77,620)**
Balance at June 30, 2000	**129,535**	**218,998**	**342,628**	**71,249**	**21,277**	**–**	**783,687**
Net Book Value at June 30, 2000	**542,615**	**57,450**	**73,759**	**6,344**	**4,405**	**107,623**	**792,196**
The Bank – 1999							
Cost:							
Balance at July 1, 1998	638,541	306,433	353,593	75,057	29,405	37,634	1,440,663
Additions	9	11,562	64,686	902	462	44,680	122,301
Transfers	4,015	13,284	276	724	–	(18,299)	–
Disposals/write–offs	(9,225)	(5,231)	(39,209)	(1,730)	(4,276)	(2,411)	(62,082)
Balance at June 30, 1999	633,340	326,048	379,346	74,953	25,591	61,604	1,500,882
Accumulated Depreciation:							
Balance at July 1, 1998	108,494	237,216	312,798	68,300	20,082	–	746,890
Charge for the year	11,353	26,900	31,602	2,659	3,962	–	76,476
Eliminated on disposal/write-off	(2,181)	(5,194)	(34,813)	(1,649)	(4,094)	–	(47,931)
Balance at June 30, 1999	117,666	258,922	309,587	69,310	19,950	–	775,435
Net Book Value at June 30, 1999	515,674	67,126	69,759	5,643	5,641	61,604	725,447

12. FIXED ASSETS (CONT'D)

Properties consist of:

	Freehold Land RM'000	Building on Freehold Land RM'000	Leasehold Land		Buildings on Leasehold Land		Total RM'000
			Less Than 50 years RM'000	50 years Or More RM'000	Less Than 50 years RM'000	50 years Or More RM'000	
The Bank – 2000							
Cost:							
Balance at July 1, 1999	**67,774**	**318,921**	**7,702**	**49,476**	**38,822**	**150,645**	**633,340**
Additions	**–**	**7,646**	**–**	**–**	**–**	**–**	**7,646**
Transfers	**14**	**–**	**–**	**20,431**	**–**	**12,179**	**32,624**
Disposals	**(275)**	**(221)**	**(23)**	**(219)**	**(338)**	**(384)**	**(1,460)**
Balance at June 30, 2000	**67,513**	**326,346**	**7,679**	**69,688**	**38,484**	**162,440**	**672,150**
Accumulated Depreciation:							
Balance at July 1, 1999	**–**	**73,467**	**1,835**	**5,796**	**8,087**	**28,481**	**117,666**
Charge for the year	**–**	**6,530**	**158**	**706**	**1,295**	**3,226**	**11,915**
Eliminated on disposal	**–**	**(46)**	**–**	**–**	**–**	**–**	**(46)**
Balance at June 30, 2000	**–**	**79,951**	**1,993**	**6,502**	**9,382**	**31,707**	**129,535**
Net Book Value at June 30, 2000	**67,513**	**246,395**	**5,686**	**63,186**	**29,102**	**130,733**	**542,615**
The Bank – 1999							
Cost:							
Balance at July 1, 1998	67,123	316,618	7,852	50,868	43,225	152,855	638,541
Additions	9	–	–	–	–	–	9
Transfers	1,429	2,586	–	–	–	–	4,015
Disposals	(787)	(283)	(150)	(1,392)	(4,403)	(2,210)	(9,225)
Balance at June 30, 1999	67,774	318,921	7,702	49,476	38,822	150,645	633,340
Accumulated Depreciation:							
Balance at July 1, 1998	–	67,059	1,676	5,312	8,957	25,490	108,494
Charge for the year	–	6,408	159	484	1,311	2,991	11,353
Eliminated on disposal	–	–	–	–	(2,181)	–	(2,181)
Balance at June 30, 1999	–	73,467	1,835	5,796	8,087	28,481	117,666
Net Book Value at June 30, 1999	67,774	245,454	5,867	43,680	30,735	122,164	515,674

Notes To The Accounts (cont'd)

12. FIXED ASSETS (CONT'D)

	Properties RM'000	Office Furniture, Fittings, Equipment & Renovations RM'000	Data Processing Equipment RM'000	Electrical & Security Equipment RM'000	Motor Vehicles RM'000	Buildings-in Progress RM'000	Total RM'000
The Group – 2000							
Cost:							
Balance at July 1, 1999	**787,373**	**476,936**	**520,221**	**91,951**	**46,779**	**151,505**	**2,074,765**
Additions	**69,007**	**11,093**	**40,108**	**1,908**	**5,547**	**103,948**	**231,611**
Subsidiary companies acquired	**1,032**	**3,487**	**6,041**	**–**	**1,428**	**–**	**11,988**
Transfers	**32,624**	**11,872**	**18,814**	**2,127**	**9**	**(65,446)**	**–**
Disposals/write–offs	**(738)**	**(74,139)**	**(18,359)**	**(1,360)**	**(4,219)**	**(243)**	**(99,058)**
Balance at June 30, 2000	**889,298**	**429,249**	**566,825**	**94,626**	**49,544**	**189,764**	**2,219,306**
Accumulated Depreciation:							
Balance at July 1, 1999	**131,663**	**369,866**	**414,715**	**80,192**	**36,155**	**–**	**1,032,591**
Charge for the year	**14,971**	**41,849**	**54,122**	**4,291**	**5,992**	**–**	**121,225**
Subsidiary companies acquired	**1,295**	**1,994**	**4,102**	**–**	**1,319**	**–**	**8,710**
Eliminated on disposal/write–off	**(83)**	**(72,134)**	**(14,220)**	**(1,249)**	**(3,963)**	**–**	**(91,649)**
Balance at June 30, 2000	**147,846**	**341,575**	**458,719**	**83,234**	**39,503**	**–**	**1,070,877**
Net Book Value at June 30, 2000	**741,452**	**87,674**	**108,106**	**11,392**	**10,041**	**189,764**	**1,148,429**

12. FIXED ASSETS (CONT'D)

	Properties RM'000	Office Furniture, Fittings, Equipment & Renovations RM'000	Data Processing Equipment RM'000	Electrical & Security Equipment RM'000	Motor Vehicles RM'000	Buildings-in Progress RM'000	Total RM'000
The Group – 1999							
Cost:							
Balance at July 1, 1998	806,070	452,377	468,636	90,257	50,555	89,055	1,956,950
Additions	2,887	18,146	92,132	2,512	989	83,160	199,826
Subsidiary companies acquired	–	11,183	6,577	387	1,858	–	20,005
Transfers	4,016	13,285	(7,167)	724	–	(18,299)	(7,441)
Disposals/write–offs	(25,600)	(18,055)	(39,957)	(1,929)	(6,623)	(2,411)	(94,575)
Balance at June 30, 1999	787,373	476,936	520,221	91,951	46,779	151,505	2,074,765
Accumulated Depreciation:							
Balance at July 1, 1998	119,318	335,215	402,782	77,892	33,520	–	968,727
Charge for the year	14,535	42,275	44,009	3,870	7,381	–	112,070
Subsidiary companies acquired	–	7,313	6,065	272	1,274	–	14,924
Transfers	(9)	–	(2,775)	–	–	–	(2,784)
Eliminated on disposal/write–off	(2,181)	(14,937)	(35,366)	(1,842)	(6,020)	–	(60,346)
Balance at June 30, 1999	131,663	369,866	414,715	80,192	36,155	–	1,032,591
Net Book Value at June 30, 1999	655,710	107,070	105,506	11,759	10,624	151,505	1,042,174

Notes To The Accounts (cont'd)

12. FIXED ASSETS (CONT'D)

Properties consist of:

	Freehold Land RM'000	Buildings on Freehold Land RM'000	Leasehold Land: Less Than 50 years RM'000	Leasehold Land: 50 years Or More RM'000	Buildings on Leasehold Land: Less Than 50 years RM'000	Buildings on Leasehold Land: 50 years Or More RM'000	Total RM'000
The Group – 2000							
Cost:							
Balance at July 1, 1999	**88,444**	**369,466**	**9,524**	**58,743**	**41,845**	**219,351**	**787,373**
Additions	**8,565**	**54,673**	**–**	**–**	**–**	**5,769**	**69,007**
Subsidiary companies acquired	**120**	**1,252**	**–**	**–**	**2,759**	**(3,099)**	**1,032**
Transfers	**14**	**11,932**	**–**	**23,530**	**(362)**	**(2,490)**	**32,624**
Disposals/write–offs	**(275)**	**(221)**	**(23)**	**(219)**	**–**	**–**	**(738)**
Balance at June 30, 2000	**96,868**	**437,102**	**9,501**	**82,054**	**44,242**	**219,531**	**889,298**
Accumulated Depreciation:							
Balance at July 1, 1999	**–**	**80,301**	**2,174**	**6,345**	**8,529**	**34,314**	**131,663**
Charge for the year	**–**	**7,541**	**188**	**831**	**1,419**	**4,992**	**14,971**
Subsidiary companies acquired	**–**	**26**	**–**	**–**	**1,269**	**–**	**1,295**
Transfers	**–**	**–**	**–**	**42**	**–**	**(42)**	**–**
Eliminated on disposal/write–off	**–**	**(46)**	**–**	**–**	**–**	**(37)**	**(83)**
Balance at June 30, 2000	**–**	**87,822**	**2,362**	**7,218**	**11,217**	**39,227**	**147,846**
Net Book Value at June 30, 2000	**96,868**	**349,280**	**7,139**	**74,836**	**33,025**	**180,304**	**741,452**

12. FIXED ASSETS (CONT'D)

Properties consist of:

	Freehold Land RM'000	Buildings on Freehold Land RM'000	Leasehold Land		Buildings on Leasehold Land		Total RM'000
			Less Than 50 years RM'000	50 years Or More RM'000	Less Than 50 years RM'000	50 years Or More RM'000	
The Group – 1999							
Cost:							
Balance at July 1, 1998	85,771	367,482	9,862	59,946	46,819	236,190	806,070
Additions	1,243	–	–	–	–	1,644	2,887
Transfers	1,430	2,586	(188)	188	(571)	571	4,016
Disposals/write–offs	–	(602)	(150)	(1,391)	(4,403)	(19,054)	(25,600)
Balance at June 30, 1999	88,444	369,466	9,524	58,743	41,845	219,351	787,373
Accumulated Depreciation:							
Balance at July 1, 1998	–	72,865	2,024	5,740	9,473	29,216	119,318
Charge for the year	–	7,436	159	605	1,237	5,098	14,535
Transfers	–	–	(9)	–	–	–	(9)
Eliminated on disposal/write–off	–	–	–	–	(2,181)	–	(2,181)
Balance at June 30, 1999	–	80,301	2,174	6,345	8,529	34,314	131,663
Net Book Value at June 30, 1999	88,444	289,165	7,350	52,398	33,316	185,037	655,710

Notes To The Accounts (cont'd)

13. DEPOSITS FROM CUSTOMERS

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Demand deposits	**12,495,308**	10,476,676	**12,780,135**	10,616,299
Savings deposits	**10,328,786**	9,240,622	**11,883,089**	10,629,690
Fixed deposits	**37,086,349**	37,351,931	**56,327,225**	53,380,130
Negotiable instruments of deposit	**350,000**	511,850	**876,140**	2,924,890
	37,436,349	37,863,781	**57,203,365**	56,305,020
	60,260,443	57,581,079	**81,866,589**	77,551,009
The maturity structure of fixed deposits and negotiable instruments of deposit are as follows:				
Due within six months	**28,152,581**	31,751,185	**46,419,275**	48,713,763
Due between six months to one year	**6,969,690**	5,394,601	**8,111,785**	6,476,633
Due between one year to three years	**1,930,343**	649,454	**2,212,791**	787,966
Due between three years to five years	**383,735**	68,541	**459,510**	326,608
Due after five years	**–**	–	**4**	50
	37,436,349	37,863,781	**57,203,365**	56,305,020
The deposits are sourced from the following customers:				
Business enterprises	**25,213,122**	26,434,898	**37,113,239**	34,715,903
Individuals	**28,936,109**	24,660,184	**36,229,341**	32,357,258
Others	**6,111,212**	6,485,997	**8,524,009**	10,477,848
	60,260,443	57,581,079	**81,866,589**	77,551,009

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Licensed banks	**12,603,317**	10,273,696	**14,140,427**	12,971,340
Licensed finance companies	**346,048**	436,743	**925,655**	914,975
Other financial institutions	**2,901,660**	712,935	**5,024,434**	3,365,935
	15,851,025	11,423,374	**20,090,516**	17,252,250

15. OTHER LIABILITIES

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Interest payable	**426,433**	595,939	**570,533**	809,414
Proposed dividends	**218,835**	149,601	**218,835**	149,601
Taxation	**621,446**	258,746	**983,208**	358,109
Deferred taxation (Note 27)	**–**	–	**3,622**	3,403
General insurance fund	**–**	–	**73,769**	63,515
Life assurance fund	**–**	–	**583,876**	416,663
Provision for commitments and contingencies	**–**	3,620	**–**	3,620
Other creditors, provisions and accruals	**602,207**	726,050	**1,738,916**	1,659,819
	1,868,921	1,733,956	**4,172,759**	3,464,144
Movements in provision for commitments contingencies are as follows:				
Balance as at July 1	**3,620**	860	**3,620**	860
Provision made during the year	**–**	3,620	**–**	3,620
Amount written back	**(3,620)**	(860)	**(3,620)**	(860)
Balance as at June 30	**–**	3,620	**–**	3,620

16. SUBORDINATED OBLIGATIONS

	The Bank/The Group	
	2000 RM'000	1999 RM'000
Subordinated floating rate certificates of deposit due 2004	**–**	380,000
Subordinated notes due 2005	**950,000**	950,000
Subordinated term loan due 2002	**–**	300,000
	950,000	1,630,000

The floating rate certificates of deposit (FRCDs) are due in March 2004. On each interest payment date falling on and after March 1999, the FRCDs will, subject to the prior consent of Bank Negara Malaysia, be redeemable, in whole but not in part, at the option of the Bank. The FRCDs will also, subject as aforesaid, be redeemable, in whole but not in part, at the option of the Bank, in the event of certain changes affecting taxation in Malaysia as described under "Terms and Conditions of the FRCDs – Redemption and Purchase". The FRCDs were prepaid in full during the year.

The Notes are due in September 2005. The Notes will, subject to the prior consent of Bank Negara Malaysia, be redeemable in whole but not in part, at the option of the Bank in the event of changes affecting taxation in Malaysia as described under "Terms and Conditions of the Notes – Optional Redemption upon the Imposition of Taxation".

The term loan is repayable in one lump sum in December 2002. The term loan was prepaid in full during the year.

Notes To The Accounts (cont'd)

16. SUBORDINATED OBLIGATIONS (CONT'D)

Interest on the FRCDs and Notes are payable semi-annually in arrears in March and September each year whilst interest on the term loan is payable semi-annually in arrears in June and December each year.

The FRCDs, Notes and term loan will constitute unsecured liabilities of the Bank and are subordinated to the senior indebtedness of the Bank in accordance with the respective terms and conditions on their issues.

The FRCDs, Notes and term loan qualify as tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank.

17. SHARE CAPITAL

	The Bank/The Group	
	2000 RM'000	1999 RM'000
Ordinary shares of RM1 each:		
Authorised –		
Balance as at July 1/June 30	**4,000,000**	4,000,000
Issued and fully paid –		
Balance as at July 1	**2,308,661**	2,286,828
Shares issued under the Maybank Group Employee Share Option Scheme	**29,314**	21,833
Balance as at June 30	**2,337,975**	2,308,661

During the year, the Bank increased its issued and fully paid up share capital from RM2,308,660,614 to RM2,337,975,214 by the issue of 29,314,600 new ordinary shares of RM1.00 each to eligible persons who exercised their options under the Maybank Group Employee Share Option Scheme (ESOS). The issue of 29,314,600 new ordinary shares consist of the following:

a. 24,451,800 at the option price of RM4.42 per share;
b. 4,516,000 at the option price of RM6.83 per share;
c. 346,600 at the option price of RM12.75 per share; and
d. 200 at the option price of RM16.25 per share;

The new shares issued rank pari passu in all respects with the then existing shares of the Bank.

18. RESERVES

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Non-distributable:				
Share premium	**191,749**	77,720	**191,749**	77,720
Statutory reserves	**2,233,828**	1,977,828	**2,795,772**	2,475,373
Capital reserve	**–**	–	**15,250**	15,250
Exchange fluctuation reserve	**87,917**	91,611	**98,031**	125,718
	2,513,494	2,147,159	**3,100,802**	2,694,061
Distributable:				
General reserve	**2,916,120**	2,711,120	**3,291,534**	2,978,515
Retained profits	**985,212**	729,824	**1,629,410**	1,235,883
	3,901,332	3,440,944	**4,920,944**	4,214,398
	6,414,826	5,588,103	**8,021,746**	6,908,459
Share premium:				
Balance as at July 1	**77,720**	–	**77,720**	–
Premium on shares issued under the Maybank Group Employee Share Option Scheme	**114,029**	77,720	**114,029**	77,720
Balance as at June 30	**191,749**	77,720	**191,749**	77,720
Statutory reserves:				
Balance as at July 1	**1,977,828**	1,774,066	**2,475,373**	2,254,214
Transfer from profit and loss account	**256,000**	203,762	**319,729**	209,894
Exchange difference	**–**	–	**670**	11,265
Balance as at June 30	**2,233,828**	1,977,828	**2,795,772**	2,475,373
Capital reserve:				
Balance as at July 1	**–**	–	**15,250**	350
Transfer from profit and loss account	**–**	–	**–**	14,697
Accretion arising from issue of new shares in a subsidiary company	**–**	–	**–**	203
Balance as at June 30	**–**	–	**15,250**	15,250

Notes To The Accounts (cont'd)

18. RESERVES (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Exchange fluctuation reserve:				
Balance as at July 1	**91,611**	128,248	**125,718**	179,746
Exchange difference	**(3,694)**	(36,637)	**(27,687)**	(54,028)
Balance as at June 30	**87,917**	91,611	**98,031**	125,718
General reserve:				
Balance as at July 1	**2,711,120**	2,546,251	**2,978,515**	2,785,539
Transfer from profit and loss account	**205,000**	164,869	**339,000**	186,642
Exchange difference	**–**	–	**(1,500)**	6,334
Goodwill on consolidation written off	**–**	–	**(24,481)**	–
Balance as at June 30	**2,916,120**	2,711,120	**3,291,534**	2,978,515

The statutory reserves are maintained in compliance with the requirements of Bank Negara Malaysia and the Central Banks of the respective territories in which the Bank and the Group operate and are not distributable as cash dividends.

The Bank has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends out of its entire general reserve and retained profits at June 30, 2000.

19. INTEREST INCOME

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Loans and advances	**4,151,489**	5,132,635	**6,247,832**	7,598,306
Money at call and deposit placements with financial institutions	**894,412**	1,045,420	**973,840**	1,188,697
Dealing securities	**571**	7,376	**19,684**	128,257
Investment securities	**437,924**	783,558	**800,389**	1,238,248
Others	**–**	–	**40,741**	40,643
	5,484,396	6,968,989	**8,082,486**	10,194,151
Net (amortisation of premiums)/ accretion of discounts	**(21,475)**	(20,023)	**27,910**	12,918
Net interest suspended	**(327,157)**	(420,190)	**(544,296)**	(598,198)
	5,135,764	6,528,776	**7,566,100**	9,608,871

20. INTEREST EXPENSE

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Deposits and placements of banks and other financial institutions	**665,178**	966,561	**857,140**	1,682,775
Deposits from other customers	**1,762,320**	2,954,770	**2,650,210**	4,243,646
Subordinated floating rate certificates of deposit	**35,145**	26,600	**35,145**	26,600
Subordinated notes	**67,688**	67,688	**67,688**	67,688
Subordinated term loan	**26,188**	25,500	**27,688**	25,853
Others	**16,015**	36,897	**131,268**	101,907
	2,572,534	4,078,016	**3,769,139**	6,148,469

21. NON-INTEREST INCOME

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Fee income:				
Commission	**255,492**	193,752	**263,300**	206,444
Service charges and fees	**180,213**	143,243	**220,827**	180,110
Guarantee fees	**66,644**	57,011	**73,080**	64,668
Underwriting fees	**597**	625	**12,371**	5,063
Brokerage income	**–**	–	**118,776**	51,749
Other fee income	**22,486**	47,216	**36,758**	58,018
	525,432	441,847	**725,112**	566,052
Investment income:				
Net gain/(loss) from sale of dealing securities	**9,601**	(1,275)	**28,114**	17,019
Net gain from sale of investment securities	**55,634**	101,275	**140,434**	191,616
	65,235	100,000	**168,548**	208,635
Gross dividends from:				
Dealing securities	**–**	–	**299**	282
Investment securities				
– quoted in Malaysia	**133**	2,188	**6,379**	3,618
– unquoted	**1,509**	1,426	**2,896**	3,738
Subsidiary companies				
– in Malaysia	**97,868**	21,055	**–**	–
– outside Malaysia	**13,772**	165,272	**–**	–
Associated companies	**1,350**	1,080	**–**	–
	114,632	191,021	**9,574**	7,638
Non-interest income carried forward	**705,299**	732,868	**903,234**	782,325

Notes To The Accounts (cont'd)

21. NON-INTEREST INCOME (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Non-interest income brought forward	**705,299**	732,868	**903,234**	782,325
Provision for diminution in value of investment securities (net)	**(25,960)**	15,816	**(50,887)**	43,466
	679,339	748,684	**852,347**	825,791
Other income:				
Foreign exchange profit	**133,239**	132,550	**147,128**	111,575
Net premiums written	**–**	–	**162,325**	127,214
Rental income	**16,161**	20,238	**12,252**	12,300
Gain on disposal of fixed assets	**597**	53	**1,191**	715
Gain on disposal of foreclosed properties	**–**	–	**751**	346
Other operating income	**9,695**	11,354	**15,086**	16,002
Other non-operating income	**13,246**	8,868	**73,714**	57,847
	172,938	173,063	**412,447**	325,999
	852,277	921,747	**1,264,794**	1,151,790

22. OVERHEAD EXPENSES

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Personnel costs	**623,680**	557,689	**827,233**	747,810
Establishment costs	**221,079**	208,398	**299,599**	290,219
Marketing costs	**24,061**	23,702	**67,531**	54,034
Administration and general expenses	**245,830**	206,307	**399,386**	345,400
	1,114,650	996,096	**1,593,749**	1,437,463
The above expenditure include the following statutory disclosures:				
Directors' remuneration (Note 25)	**2,749**	2,319	**6,922**	7,189
Rental of premises	**42,252**	54,362	**55,306**	67,996
Hire of equipment	**4,127**	3,097	**5,837**	4,767
Lease of equipment	**1,319**	1,073	**7,482**	8,673
Rental of leasehold land	**943**	1,201	**948**	1,428
Auditors' remuneration				
– current year	**2,175**	2,484	**3,019**	3,535
– overprovision in prior years	**–**	(45)	**–**	(45)
Depreciation of fixed assets (Note 12)	**85,872**	76,476	**121,225**	112,070
Fixed assets written off	**–**	2,429	**2,260**	5,541

23. LOAN LOSS AND PROVISION

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Provision for bad and doubtful debts:				
– specific (net)	**612,109**	1,337,888	**1,245,270**	2,046,819
– general	**217,000**	58,193	**307,079**	71,046
Bad debts:				
– written off	**43,235**	5,354	**51,924**	15,734
– recovered	**(27,030)**	(18,357)	**(88,250)**	(61,844)
	845,314	1,383,078	**1,516,023**	2,071,755
Provision for value impairment on amounts recoverable from Danaharta	**7,924**	192,200	**7,924**	199,378
Provision for commitments and contingencies (net)	**(3,620)**	2,760	**(3,620)**	2,760
	849,618	1,578,038	**1,520,327**	2,273,893

24. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The significant transactions and balances with subsidiary companies are as follows:

	The Bank	
	2000 RM'000	1999 RM'000
Income:		
Interest on fixed deposits	**88,696**	217,319
Interest on advances	**14,000**	64,071
Dividend income	**111,640**	186,327
Rental of premises	**7,043**	8,456
Other income	**8,807**	6,524
	230,186	482,697
Expenditure:		
Interest on fixed deposits	**12,506**	575
Interest on advances	**65,980**	110,185
Other expenses	**9,049**	6,953
	87,535	117,713

Notes To The Accounts (cont'd)

24. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

	The Bank	
	2000	**1999**
	RM'000	**RM'000**
Amounts due from:		
Current accounts and deposits	**1,589,032**	1,395,247
Short-term advances	**421,781**	393,829
Interest on deposits	**29,321**	10,979
	2,040,134	1,800,055
Less: Amounts due to subsidiary companies:		
Current accounts and deposits	**(804,375)**	(315,716)
Interest on deposits	**(1,709)**	(867)
	(806,084)	(316,583)
	1,234,050	1,483,472
Amounts due to:		
Current accounts and deposits	**–**	495,222
Advances	**976,149**	16,653
Interest on deposits	**6,836**	19,971
	982,985	531,846
Less: Amounts due from subsidiary companies:		
Current accounts and deposits	**(1,241,986)**	(1,515,167)
Interest on deposits	**(44,310)**	(19,971)
	(1,286,296)	(1,535,138)
	(303,311)	(1,003,292)

25. DIRECTORS' REMUNERATION

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Directors of the Bank:				
Fees	**305**	320	**758**	625
Other remuneration –				
Executive directors	**1,872**	1,594	**1,895**	1,594
Non-executive directors	**572**	405	**806**	1,051
	2,749	2,319	**3,459**	3,270
Other directors:				
Fees	**–**	–	**367**	300
Other remuneration –				
Executive directors	**–**	–	**2,179**	3,057
Non–executive directors	**–**	–	**917**	562
	–	–	**3,463**	3,919
	2,749	2,319	**6,922**	7,189
Estimated cash value of benefits-in-kind:				
Directors of the Bank	**103**	93	**103**	93
Other directors	**–**	–	**99**	202
	103	93	**202**	295

26. TAXATION

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Malaysian taxation	**482,385**	53,699	**719,841**	46,414
Overseas taxation	**41,511**	5,259	**44,815**	12,057
	523,896	58,958	**764,656**	58,471
Share of tax in associated companies	**–**	–	**812**	209
	523,896	58,958	**765,468**	58,680
Transfer (from)/to deferred taxation account	**–**	–	**(46)**	2,243
	523,896	58,958	**765,422**	60,923
Overprovision in respect of prior years	**–**	–	**(1,897)**	(2,234)
	523,896	58,958	**763,525**	58,689

The tax charges for the Bank and for the Group reflect effective rates that are higher than the statutory rate as certain charges and provisions are not considered deductible for tax purposes.

Tax on business income for the Bank and the Group for the previous year was waived pursuant to the Income Tax (Amendment) Act 1999. As such, no provision was made for taxation on the previous year's business income. Arising from the waiver, the estimated tax savings were RM251,814,000 for the Bank and RM351,907,000 for the Group respectively. The estimated tax exempt income available for distribution as tax exempt dividends for the Bank is RM899,335,000.

Notes To The Accounts (cont'd)

27. DEFERRED TAXATION

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Balance as at July 1	–	–	**3,403**	1,160
Transfer (to)/from taxation account	–	–	**(46)**	2,243
Acquisition of a subsidiary company	–	–	**265**	–
Balance as at June 30	–	–	**3,622**	3,403
The balance on the deferred taxation account represents the tax effect at 28% (1999: 28%) on the following:				
Lease timing differences	–	–	**8,572**	8,568
Timing differences between depreciation and corresponding capital allowances on fixed assets	–	–	**4,364**	3,585
	–	–	**12,936**	12,153

28. DIVIDENDS

	The Bank/The Group	
	2000 RM'000	1999 RM'000
Interim dividend of 5% (1999: 3%) less 28% income tax	**84,071**	49,512
Proposed final dividend of 13% (1999: 9%) less 28% income tax	**218,835**	149,601
Dividend of 9% less 28% income tax paid on ordinary shares issued under ESOS	**1,211**	–
	304,117	199,113

29. EARNINGS PER SHARE

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Earnings per ordinary share are calculated as follows:				
Basic:				
Net profit for the year after taxation (and minority interest in the case of the Group)	**1,020,505**	809,787	**1,360,405**	969,866
Weighted average number of shares in issue	**2,330,660**	2,292,214	**2,330,660**	2,292,214
Fully diluted:				
Net profit for the year after taxation (and minority interest in the case of the Group)	**1,020,505**	809,787	**1,360,405**	969,866
Weighted average number of shares in issue	**2,330,660**	2,292,214	**2,330,660**	2,292,214
Number of shares under ESOS	**65,654**	93,659	**65,654**	93,659
Number of shares under ESOS that would have been issued at fair value	**(27,860)**	(66,768)	**(27,860)**	(66,768)
Adjusted weighted average number of shares in issue	**2,368,454**	2,319,105	**2,368,454**	2,319,105

The adjusted weighted average number of ordinary shares in issue has been arrived at based on the assumption that all share options under the ESOS are exercised on July 1, 1999.

During the year, the Bank and the Group have computed their earnings per share in accordance with MASB Standard 13 - Earnings Per Share. The comparative figures have been restated to conform with this method of computation.

Notes To The Accounts (cont'd)

30. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank and its subsidiary companies make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

Risk weighted exposures of the Bank and its subsidiary companies as at June 30 are as follows:

	2000		1999	
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000
The Bank				
Direct credit substitutes	**2,202,651**	**2,202,651**	2,043,513	2,043,513
Certain transaction-related contingent items	**3,532,515**	**1,766,258**	2,932,743	1,466,371
Short-term self-liquidating trade-related contingencies	**2,458,393**	**491,679**	1,776,329	355,266
Housing loans sold directly and indirectly to Cagamas Berhad	**1,392,965**	**1,392,965**	1,561,110	1,561,110
Obligations under underwriting agreements	**166,957**	**83,479**	181,182	90,591
Irrevocable commitments to extend credit				
– maturity not exceeding one year	**27,670,541**	**–**	32,910,051	–
– maturity exceeding one year	**2,835,902**	**1,417,951**	3,406,770	1,703,388
Foreign exchange related contracts				
– less than one year	**8,473,889**	**132,364**	11,086,824	167,939
– one year to less than five years	**813,516**	**23,421**	281,516	6,203
Interest rate related contracts				
– less than one year	**491,521**	**18,272**	952,049	1,889
– one year to less than five years	**395,175**	**37,284**	434,450	11,684
– five years and above	**961,401**	**88,564**	950,000	57,670
Miscellaneous	**2,275,842**	**–**	2,082,209	–
	53,671,268	**7,654,888**	60,598,746	7,465,624

30. COMMITMENTS AND CONTINGENCIES (CONT'D)

	2000		1999	
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000
The Group				
Direct credit substitutes	**4,124,320**	**4,124,320**	4,388,637	4,388,637
Certain transaction-related contingent items	**3,586,119**	**1,793,060**	2,984,466	1,492,233
Short-term self-liquidating trade-related contingencies	**2,493,323**	**498,665**	1,779,328	355,865
Housing loans sold directly and indirectly to Cagamas Berhad	**3,329,470**	**3,329,470**	2,708,322	2,708,322
Obligations under underwriting agreements	**734,567**	**367,284**	814,535	407,267
Obligations arising out of rediscounting of bankers acceptances	**86,488**	**3,460**	232,885	9,315
Irrevocable commitments to extend credit				
– maturity not exceeding one year	**30,373,979**	**–**	34,562,924	–
– maturity exceeding one year	**4,285,779**	**2,142,890**	4,853,105	2,426,556
Foreign exchange related contracts				
– less than one year	**8,473,889**	**132,364**	11,086,872	167,954
– one year to less than five years	**984,379**	**37,090**	452,379	21,581
Interest rate related contracts				
– less than one year	**555,845**	**18,372**	990,049	4,950
– one year to less than five years	**395,175**	**37,284**	494,928	12,289
– five years and above	**961,401**	**88,564**	950,000	57,670
Miscellaneous	**2,285,380**	**–**	2,085,429	–
	62,670,114	**12,572,823**	68,383,859	12,052,639

The Bank and certain subsidiary companies are contingently liable in respect of housing loans sold to Cagamas Berhad on the condition that they undertake to administer the loans on behalf of Cagamas Berhad and to buy back any loans which are regarded as defective based on prudent criteria.

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

Notes To The Accounts (cont'd)

30. COMMITMENTS AND CONTINGENCIES (CONT'D)

The foreign exchange related contracts and interest rate related contracts are made up as follows:

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Foreign exchange related contracts				
– forward and futures contracts	**6,354,624**	10,757,630	**6,354,624**	10,757,678
– cross–currency interest rate swaps	**2,932,781**	610,710	**3,103,644**	781,573
Interest rate related contracts				
– forward and futures contracts	**–**	236,997	**–**	236,997
– swaps	**1,848,097**	2,099,502	**1,912,421**	2,197,980
	11,135,502	13,704,839	**11,370,689**	13,974,228

Market risk

Market risk is the potential change in value by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off balance sheet positions.

Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank has a gain position. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates or market rates or prices.

As at June 30, the amounts of market risk and credit risk are as follows:

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Market risk				
Amount of contracts which were not hedged and hence, exposed to market risk	**62,982**	85,054	**62,982**	85,054
Credit risk				
Amount of credit risk, measured in terms of cost to replace the profitable contracts	**18,242**	40,215	**18,242**	40,215

31. CAPITAL AND OTHER COMMITMENTS

a. Capital expenditure approved by directors but not provided for in the accounts amounted to:

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Authorised and contracted for	**119,637**	273,222	**133,454**	387,792
Authorised but not contracted for	**150,096**	46,983	**275,480**	113,483
	269,733	320,205	**408,934**	501,275

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
b. Uncalled capital in shares of subsidiary companies	**210**	210	**–**	–

c. Commitment to inject capital into PT. Bank Maybank Nusa International as follows:

	The Bank/The Group	
	2000 USD/RM'000	1999 USD/RM'000
– as shares	**USD12,550 (RM47,690)**	–
– as subordinated debt	**USD11,000 (RM41,800)**	–

d. The Bank and a subsidiary company are committed to lend up to five times the nominal value of its investment in Export Credit Insurance Corporation of Singapore Limited (ECIC) to meet claims arising as part of the export credit insurance business of the company. ECIC may, at its option, convert the whole or any part of any such loans into fully paid shares.

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Maximum commitments in respect of the investment in ECIC	**11,004**	11,167	**11,334**	11,167

Notes To The Accounts (cont'd)

32. CAPITAL ADEQUACY

The capital adequacy ratios of the Bank are as follows:

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Core capital ratio	**12.48%**	12.03%	**10.96%**	10.21%
Risk-weighted capital ratio	**14.60%**	14.74%	**15.16%**	14.81%
Breakdown of capital base in the various categories of capital:				
Tier 1 capital:				
Paid-up share capital	**2,337,975**	2,308,661	**2,337,975**	2,308,661
Share premium	**191,749**	77,720	**191,749**	77,720
Other reserves	**6,135,160**	5,418,772	**7,716,716**	6,689,771
Tier 1 minority interest	**–**	–	**141,972**	144,704
Total tier 1 capital	**8,664,884**	7,805,153	**10,388,412**	9,220,856
Tier 2 capital:				
Subordinated obligations	**950,000**	1,434,000	**950,000**	1,434,000
General provisions for bad and doubtful debts	**2,285,910**	2,070,088	**3,030,320**	2,727,735
Total tier 2 capital	**3,235,910**	3,504,088	**3,980,320**	4,161,735
Total capital	**11,900,794**	11,309,241	**14,368,732**	13,382,591
Less: Investment in subsidiary companies	**(1,766,546)**	(1,745,221)	**–**	–
Total capital base	**10,134,248**	9,564,020	**14,368,732**	13,382,591
Breakdown of risk–weighted assets in the various categories of risk–weights:				
0%	**17,855,390**	12,885,495	**23,942,500**	19,085,127
10%	**3,463,918**	4,026,523	**4,425,560**	5,106,201
20%	**12,792,354**	12,523,572	**17,712,474**	16,535,968
50%	**9,259,914**	7,977,628	**12,201,319**	10,541,935
100%	**61,859,309**	57,969,225	**84,640,234**	81,213,239
	105,230,885	95,382,443	**142,922,087**	132,482,470

33. SEGMENT INFORMATION

The analysis of Group operations for the year ended June 30, 2000 are as follows:

	Operating revenue RM'000	Profit before taxation RM'000	Assets employed RM'000
a. Analysis by Activity			
2000			
Commercial and merchant banking	**6,823,614**	**1,412,854**	**99,404,847**
Finance company and leasing operations	**1,981,066**	**422,526**	**21,560,097**
Discount house and factoring operations	**171,023**	**114,118**	**4,065,430**
Insurance	**183,386**	**60,103**	**1,389,182**
Stocks and futures broking	**132,511**	**81,807**	**538,962**
Others	**42,340**	**46,080**	**363,890**
	9,333,940	**2,137,488**	**127,322,408**
1999			
Commercial and merchant banking	8,156,435	495,321	90,328,379
Finance company and leasing operations	2,571,101	259,517	21,033,636
Discount house and factoring operations	347,247	94,873	4,276,675
Insurance	157,081	52,032	921,639
Stocks and futures broking	63,663	54,915	526,781
Others	43,631	54,291	391,419
	11,339,158	1,010,949	117,478,529
b. Analysis by Geographical Location			
2000			
Malaysia	**7,919,524**	**1,937,165**	**110,585,686**
Singapore	**838,073**	**163,050**	**11,485,006**
Other locations	**576,343**	**37,273**	**5,251,716**
	9,333,940	**2,137,488**	**127,322,408**
1999			
Malaysia	9,734,055	996,861	99,589,805
Singapore	980,458	124,448	12,469,417
Other locations	624,645	(110,360)	5,419,307
	11,339,158	1,010,949	117,478,529

Notes To The Accounts (cont'd)

34. SIGNIFICANT EVENTS DURING THE YEAR

a. Acquisition of Pacific Bank Berhad

The Bank was granted approval on August 3, 1999 to commence negotiations with Pacific Bank Berhad with a view to merging the operations of the latter with the Group. On August 24, 2000, a conditional Sale and Purchase Agreement to acquire the banking business of Pacific Bank Berhad for a cash consideration of RM1,250.0 million was signed.

b. Acquisition of PhileoAllied Berhad

The Bank signed a Memorandum of Agreement with PhileoAllied Berhad (PAB) on June 30, 2000.

Negotiations are still ongoing.

c. Acquisition of SimeFinance Berhad

On October 29, 1999, Mayban Finance Berhad entered into a conditional Acquisition Agreement with Sime Bank Berhad to acquire the entire issued and fully paid-up share capital of SimeFinance Berhad. The acquisition was finalised with a purchase consideration of RM76.55 million on August 14, 2000.

d. Absorption of Mayban Factoring Berhad into Mayban Finance Berhad

In line with the rationalisation and streamlining of businesses within the Group, the Bank had, on February 17, 2000, transferred its direct holding in Mayban Factoring Berhad to Mayban Finance Berhad for a total cash consideration of RM2.0 million. Subsequent to this, the business and staff of Mayban Factoring Berhad were absorbed into Mayban Finance Berhad.

e. Acquisition of the Remaining Shares in Mayban Assurance Berhad Not Held by the Bank

Approval for the acquisition of the remaining 5,000,000 ordinary shares of RM1.00 each, representing 6.09% of the issued and fully paid-up share capital of Mayban Assurance Berhad (MAB) by the Bank was obtained from Bank Negara Malaysia on May 30, 2000. The transaction, based on the purchase consideration of RM29.1 million, was completed on July 18, 2000 after the approvals from the other relevant authorities were obtained. Following this exercise, MAB became a wholly owned subsidiary of the Bank.

34. SIGNIFICANT EVENTS DURING THE YEAR (CONT'D)

f. Acquisition of UMBC Insurans Berhad

Upon acquiring the aggregate equivalent of 78.32% equity interest in UMBC Insurans Berhad (UMBCI), Mayban Assurance Berhad (MAB) made a mandatory offer for the remaining shares of UMBCI. An offer letter dated March 1, 2000 informed the remaining shareholders of UMBCI that pursuant to the mandatory offer, MAB proposed to transfer the assets and liabilities of MAB to UMBCI for a consideration to be satisfied by the issuance of new ordinary shares of UMBCI to MAB. When the offer lapsed on March 21, 2000, MAB increased its stake in UMBCI to 80.8%.

The proposal was approved by Bank Negara Malaysia on April 27, 2000.

g. Strategic Partnership with Fortis International N.V.

Bank Negara Malaysia had, on May 3, 2000, granted permission to the Bank to commence negotiations with Fortis International N.V. for the latter to acquire a 30% equity stake in the insurance businesses of the Group. Negotiations between the two parties are still ongoing.

35. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

a. Acquisition of Additional Stake in Maybank Philippines Incorporated

On July 17, 2000, Bank Negara Malaysia gave the Bank the approval to acquire a 39.83% stake in Maybank Philippines Incorporated (MPI) from Philippines National Bank (PNB) for a cash consideration of Peso 1.412 billion (RM124.1 million). The acquisition was completed on August 18, 2000 with the signing of the stock purchase agreement, increasing the Bank's share in MPI to 99.96%.

b. Establishment of Commercial Banking Branch in Shanghai

On July 26, 2000, the Bank was given a licence by the People's Bank of China to establish a commercial banking branch in Shanghai.

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS)

BALANCE SHEETS AS AT JUNE 30, 2000

		The Bank		The Group	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Assets					
Cash and short–term funds	(a)	**1,195,602**	1,480,219	**1,457,540**	1,826,974
Deposits and placements with financial institutions	(b)	**40,783**	–	**70,738**	25,050
Dealing securities	(c)	**–**	–	**–**	187,675
Investment securities	(d)	**280,549**	368,187	**1,175,824**	675,336
Loans and advances	(e)	**2,050,261**	1,813,789	**3,656,970**	2,500,036
Other assets	(f)	**26,321**	81,558	**55,166**	287,650
		3,593,516	3,743,753	**6,416,238**	5,502,721
Liabilities					
Deposits from customers	(g)	**2,908,182**	2,164,053	**5,022,334**	2,892,506
Deposits and placements of banks and other financial institutions	(h)	**233,806**	1,434,410	**799,568**	2,430,340
Obligations on securities sold under repurchased agreements		**300**	5,100	**300**	5,100
Bills and acceptances payable		**32,257**	654	**32,257**	654
Other liabilities	(i)	**262,502**	27,676	**373,629**	51,288
		3,437,047	3,631,893	**6,228,088**	5,379,888
Islamic banking fund	(j)	**156,469**	111,860	**188,150**	122,833
		3,593,516	3,743,753	**6,416,238**	5,502,721
Commitments And Contingencies	(n)	**685,985**	483,774	**762,206**	565,414

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2000

	Notes	The Bank		The Group	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Income	(k)	**93,162**	70,372	**187,166**	107,857
Loan loss and provision	(l)	**(20,069)**	(13,430)	**(49,180)**	(53,993)
Net income		**73,093**	56,942	**137,986**	53,864
Overhead expenses	(m)	**(8,915)**	(1,358)	**(30,578)**	(6,549)
Profit before taxation and zakat		**64,178**	55,584	**107,408**	47,315
Taxation and zakat		**(19,569)**	(214)	**(42,091)**	(214)
Profit after taxation and zakat		**44,609**	55,370	**65,317**	47,101
Retained profits brought forward		**101,860**	46,490	**99,833**	52,732
Retained profits carried forward	(j)	**146,469**	101,860	**165,150**	99,833

The accompanying notes form part of these accounts.

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

NOTES TO THE OPERATIONS OF IBS

		The Bank		The Group	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
a.	**Cash And Short-Term Funds**				
	Cash and balances with banks and other financial institutions	**1,195,602**	1,480,219	**1,457,540**	1,826,974
b.	**Deposits And Placements With Financial Institutions**				
	Licensed banks	**35,200**	–	**35,200**	–
	Licensed finance companies	**–**	–	**1,055**	–
	Other financial institutions	**5,583**	–	**34,483**	25,050
		40,783	–	**70,738**	25,050
c.	**Dealing Securities**				
	Islamic accepted bills	**–**	–	**–**	187,675
d.	**Investment Securities**				
	Money market instruments:				
	Unquoted:				
	Malaysian government investment issues	**84,118**	86,031	**368,897**	183,957
	Islamic debt securities	**57,418**	136,526	**567,760**	277,044
	Islamic accepted bills	**91,013**	97,630	**91,013**	124,616
		232,549	320,187	**1,027,670**	585,617
	Quoted:				
	Cagamas Mudharabah bonds	**48,000**	48,000	**48,000**	48,000
		280,549	368,187	**1,075,670**	633,617
	Unquoted securities:				
	Commercial bills, bonds and notes	**–**	–	**101,956**	43,730
		280,549	368,187	**1,177,626**	677,347
	Amortisation of premiums less accretion of discounts	**–**	–	**10,198**	1,867
		280,549	368,187	**1,187,824**	679,214
	Provision for diminution in value of Islamic debt securities	**–**	–	**(12,000)**	(3,878)
		280,549	368,187	**1,175,824**	675,336
	Market value of quoted money market instruments:				
	Cagamas Mudharabah bonds	**48,000**	48,000	**48,000**	48,000

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
d. Investment Securities (Cont'd)				
The maturity structure of money market instruments held for investment are as follows:				
Maturing within one year	**228,025**	97,630	**411,211**	274,931
Maturing between one year to three years	**–**	270,557	**317,715**	368,482
Maturing between three years to five years	**38,740**	–	**282,759**	33,934
Maturing after five years	**13,784**	–	**165,941**	–
	280,549	368,187	**1,177,626**	677,347
e. Loans And Advances				
Overdrafts	**232,237**	187,945	**232,237**	187,945
Term financing	**2,227,797**	1,886,784	**2,840,947**	2,466,646
Trust receipts	**31,462**	35,297	**121,916**	134,225
Hire purchase receivables	**–**	–	**1,679,240**	451,225
Other financing	**735,880**	608,466	**886,617**	757,993
	3,227,376	2,718,492	**5,760,957**	3,998,034
Unearned income	**(1,119,098)**	(872,056)	**(1,912,362)**	(1,380,793)
Gross loans and advances	**2,108,278**	1,846,436	**3,848,595**	2,617,241
Provision for bad and doubtful debts				
– specific	**(27,442)**	(13,285)	**(103,919)**	(59,770)
– general	**(22,060)**	(17,060)	**(46,560)**	(38,903)
Income-in-suspense	**(8,515)**	(2,302)	**(41,146)**	(18,532)
Net loans and advances	**2,050,261**	1,813,789	**3,656,970**	2,500,036
Loans and advances analysed by concepts are as follows:				
Al–Bai' Bithaman Ajil	**1,341,936**	1,203,949	**1,462,498**	1,370,517
Al–Ijarah	**–**	–	**1,290,743**	342,270
Al–Murabahah	**766,234**	628,898	**766,234**	628,898
Other principles	**108**	13,589	**329,120**	275,556
	2,108,278	1,846,436	**3,848,595**	2,617,241

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
e. Loans And Advances (Cont'd)				
Loans and advances analysed by their economic purposes are as follows:				
Agriculture	**48,510**	42,483	**48,687**	46,936
Manufacturing	**511,148**	343,002	**536,727**	362,266
Electricity, gas and water	**79,322**	58,564	**85,097**	71,294
Construction	**251,688**	216,785	**280,067**	224,340
Real estate	**5,032**	24,638	**5,032**	25,062
Purchase of landed property	**667,230**	408,467	**907,782**	645,037
(of which: Residential	**555,075**	339,713	**674,503**	454,286
Non–Residential)	**112,155**	68,754	**233,279**	190,751
General commerce	**100,213**	217,395	**100,213**	225,053
Transport, storage and communication	**160,616**	194,454	**165,435**	203,829
Finance, insurance and business service	**24,350**	57,993	**61,083**	121,678
Purchase of securities	**207,321**	243,740	**271,202**	310,878
Purchase of transport vehicles	**–**	–	**1,320,644**	341,418
Consumption credit	**43,452**	33,820	**57,139**	34,245
Others	**9,396**	5,095	**9,487**	5,205
	2,108,278	1,846,436	**3,848,595**	2,617,241
The maturity structure of loans and advances are as follows:				
Maturing within one year	**1,090,970**	499,523	**1,110,405**	515,154
Maturing between one year to three years	**5,309**	206,952	**212,955**	293,898
Maturing between three years to five years	**104,380**	49,857	**488,943**	259,583
Maturing after five years	**907,619**	1,090,104	**2,036,292**	1,548,606
	2,108,278	1,846,436	**3,848,595**	2,617,241
Movements in the non–performing loans (including income receivables)are as follows:				
Balance at July 1	**38,675**	13,445	**232,303**	84,405
Classified during the year	**88,657**	25,230	**253,001**	190,064
Non–performing loans of a subsidiary company acquired	**–**	–	**–**	46,006
Amount recovered/regularised during the year	**(10,004)**	–	**(162,636)**	(83,487)
Amount written off	**(1,327)**	–	**(8,863)**	(4,685)
Balance at June 30	**116,001**	38,675	**313,805**	232,303

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
e. Loans And Advances (Cont'd)				
Movements in the provision for bad and doubtful debts and income-in-suspense accounts are as follows:				
Specific Provision				
Balance at July 1	**13,285**	6,854	**59,770**	17,765
Provisions made during the year	**19,946**	10,878	**85,736**	71,841
Specific provision of a subsidiary company acquired	**–**	–	**–**	7,760
Amount written back in respect of recoveries	**(4,883)**	(4,447)	**(35,591)**	(33,083)
Amount written off	**(906)**	–	**(5,996)**	(4,513)
Balance at June 30	**27,442**	13,285	**103,919**	59,770
General Provision				
Balance at July 1	**17,060**	10,060	**38,903**	19,860
Provisions made during the year	**5,000**	7,000	**9,331**	17,711
General provision of a subsidiary company acquired	**–**	–	**–**	1,332
Amount written off	**–**	–	**(1,674)**	–
Balance at June 30	**22,060**	17,060	**46,560**	38,903
Income-In-Suspense				
Balance at July 1	**2,302**	69	**18,532**	3,046
Provisions made during the year	**10,071**	3,162	**36,897**	20,695
Income-in-suspense of a subsidiary company acquired	**–**	–	**–**	959
Amount written back in respect of recoveries	**(3,437)**	(929)	**(13,323)**	(5,905)
Amount written off	**(421)**	–	**(960)**	(263)
Balance at June 30	**8,515**	2,302	**41,146**	18,532
f. Other Assets				
Other debtors, deposits and prepayments	**26,321**	81,558	**55,166**	287,650

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
g. Deposits From Customers				
Demand deposits	**685,588**	472,502	**685,588**	472,502
Savings deposits	**428,729**	268,100	**509,371**	315,732
General investment deposits	**1,759,601**	1,379,406	**3,793,111**	1,937,112
Special investment deposits	**34,264**	44,045	**34,264**	167,160
	1,793,865	1,423,451	**3,827,375**	2,104,272
	2,908,182	2,164,053	**5,022,334**	2,892,506
The maturity structure of investment deposits are as follows:				
Due within six months	**1,675,865**	1,274,936	**3,644,264**	1,904,247
Due between six months to one year	**111,437**	134,910	**165,583**	174,470
Maturing between one year to three years	**5,945**	13,605	**16,094**	22,566
Maturing between three years to five years	**618**	–	**1,434**	2,989
	1,793,865	1,423,451	**3,827,375**	2,104,272
The deposits are sourced from the following customers:				
Business enterprises	**811,112**	546,174	**2,295,969**	896,182
Individuals	**732,880**	665,101	**1,133,240**	820,129
Others	**1,364,190**	952,778	**1,593,125**	1,176,195
	2,908,182	2,164,053	**5,022,334**	2,892,506
h. Deposits And Placements Of Banks And Other Financial Institutions				
Licensed banks	**196,167**	926,602	**747,913**	1,230,320
Licensed finance companies	**–**	500,990	**5,247**	593,738
Other financial institutions	**37,639**	6,818	**46,408**	606,282
	233,806	1,434,410	**799,568**	2,430,340
i. Other Liabilities				
Other liabilities	**262,502**	27,676	**373,629**	51,288

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

		The Bank		The Group	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
j.	**Islamic Banking Fund**				
	Funds allocated from Head Office	**10,000**	10,000	**23,000**	23,000
	Retained profits	**146,469**	101,860	**165,150**	99,833
		156,469	111,860	**188,150**	122,833
k.	**Income From The Operation Of IBS**				
	Income derived from investment of depositors' funds	**183,566**	185,292	**340,152**	268,365
	Income attributable to depositors				
	– Other customers	**(60,766)**	(51,284)	**(107,146)**	(82,445)
	– Bank and financial institutions	**(21,107)**	(60,915)	**(37,905)**	(73,967)
	Income attributable to the Bank/Group	**101,693**	73,093	**195,101**	111,953
	Other IBS income	**5,166**	3,043	**5,762**	1,302
	Other IBS expenses	**(13,697)**	(5,764)	**(13,697)**	(5,398)
		93,162	70,372	**187,166**	107,857

Details of the income derived from investment of depositors' funds and funds allocated from Head Office are as follows:

	The Bank		The Group	
	Depositors' Funds RM'000	IBF RM'000	Depositors' Funds RM'000	IBF RM'000
2000				
Income from financing	**167,280**	**–**	**307,698**	**–**
Investment income:				
Gain from sale of investment securities	**–**	**–**	**11,312**	**378**
Gain from sale of dealing securities	**–**	**–**	**112**	**–**
Gross dividends from investment securities	**15,911**	**–**	**26,953**	**–**
Fee income:				
Commission	**–**	**3,167**	**–**	**3,167**
Service charges and fees	**348**	**1,999**	**348**	**1,999**
Other fee income	**27**	**–**	**691**	**147**
Other non–operating income	**–**	**–**	**–**	**70**
Provision for diminution in value of investment securities	**–**	**–**	**(6,962)**	**–**
	183,566	**5,166**	**340,152**	**5,761**

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	Depositors' Funds RM'000	IBF RM'000	Depositors' Funds RM'000	IBF RM'000
k. Income From The Operation Of IBS (Cont'd)				
1999				
Income from financing	169,510	–	251,385	–
Investment income:				
Gain from sale of investment securities	15,500	–	16,482	40
Gross dividends from investment securities	–	–	4,094	–
Fee income:				
Commission	–	2,303	–	800
Service charges and fees	275	740	275	740
Other fee income	7	–	7	10
Other non–operating income	–	–	–	77
Provision for diminution in value of investment securities	–	–	(3,878)	–
	185,292	3,043	268,365	1,667

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
l. Loan Loss And Provision				
Provision for bad and doubtful debts:				
– specific (net)	**15,063**	6,430	**50,145**	39,714
– general	**5,000**	7,000	**9,331**	16,037
Bad debts–written off	**6**	–	**(10,213)**	(1,758)
– recovered	**–**	–	**(83)**	–
	20,069	13,430	**49,180**	53,993
m. Overhead Expenses				
Personnel costs	**4,954**	1,022	**4,954**	1,022
Establishment costs	**1,676**	170	**3,928**	170
Marketing costs	**186**	101	**197**	101
Administration and general expenses	**2,099**	65	**21,499**	5,256
	8,915	1,358	**30,578**	6,549

n. Commitment And Contingencies

In the normal course of business, the Bank and its subsidiary company make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

Risk weighted exposure of the Bank and its subsidiary company as at June 30 are as follows:

		2000		1999	
		Principal Amount RM'000	Credit Equivalent Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000
n.	**Commitment And Contingencies (Cont'd)**				
	The Bank				
	Direct credit substitutes	**4,259**	**4,259**	4,687	4,687
	Certain transaction-related contingent items	**41,555**	**20,777**	31,522	15,761
	Short–term self–liquidating trade–related contingencies	**8,477**	**1,695**	24,451	4,890
	Housing loans sold directly and indirectly to Cagamas Berhad	**65,960**	**65,960**	68,096	68,096
	Irrevocable commitments to extend credit				
	– maturing within one year	**322,415**	**–**	171,803	–
	– maturing after one year	**107,061**	**53,531**	80,881	40,441
	Miscellaneous commitments and contingencies	**136,258**	**–**	102,334	–
		685,985	**146,222**	483,774	133,875
	The Group				
	Direct credit substitutes	**4,259**	**4,259**	4,687	4,687
	Certain transaction–related contingent items	**41,555**	**20,777**	31,522	15,761
	Short–term self–liquidating trade–related contingencies	**8,477**	**1,695**	24,451	4,890
	Housing loans sold directly and indirectly to Cagamas Berhad	**65,960**	**65,960**	68,096	68,096
	Irrevocable commitments to extend credit				
	– maturing within one year	**367,126**	**–**	217,461	–
	– maturing after one year	**138,571**	**69,286**	116,863	58,431
	Miscellaneous commitments and contingencies	**136,258**	**–**	102,334	–
		762,206	**161,977**	565,414	151,865

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

Statement By Directors

We, **TAN SRI MOHAMED BASIR BIN AHMAD** and **AMIRSHAM A AZIZ**, being two of the directors of **MALAYAN BANKING BERHAD**, state that in the opinion of the directors, the accounts set out on pages 56 to 114 are drawn up in accordance with the applicable approved Malaysian accounting standards so as to give a true and fair view of the state of affairs of the Bank and of the Group as at June 30, 2000 and of their results and cash flows for the year ended on that date.

On behalf of the Board,

TAN SRI MOHAMED BASIR BIN AHMAD
Chairman

AMIRSHAM A AZIZ
Managing Director

Kuala Lumpur,
August 29, 2000

Statutory Declaration

I, **ISMAIL SHAHUDIN**, the director primarily responsible for the financial management of **MALAYAN BANKING BERHAD**, do solemnly and sincerely declare that the accounts set out on pages 56 to 114 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **ISMAIL SHAHUDIN** at)
Kuala Lumpur in the Federal Territory)
on August 29, 2000.)

ISMAIL SHAHUDIN

Before me,

PESURUHJAYA SUMPAH
No. W 154
LIANG HIEN TIEN
MALAYSIA
28th Floor, Menara Maybank,
100, Jalan Tun Perak,
50050 Kuala Lumpur

LIANG HIEN TIEN
Commisioner for Oaths

Report Of The Auditors

to the Members of Malayan Banking Berhad

We have audited the accounts as set out on pages 56 to 114. These accounts are the responsibility of the directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the accounts are free of material misstatement. Our audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the accounts. Our audit also includes an assessment of the accounting principles used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the accounts. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

a. the accounts have been properly drawn up in accordance with the applicable approved Malaysian accounting standards and the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Bank and of the Group as at June 30, 2000 and of their results and cash flows for the year ended on that date; and

b. the accounting and other records and the registers required by the Act to be kept by the Bank and its subsidiary companies for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and the auditors' reports of all the subsidiary companies for which we have not acted as auditors, being accounts that are included in the Group accounts and which are as indicated in Note 9 to the accounts.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Bank's accounts are in form and content appropriate and proper for the purposes of the preparation of the Group accounts and we have received satisfactory information and explanations required by us for those purposes.

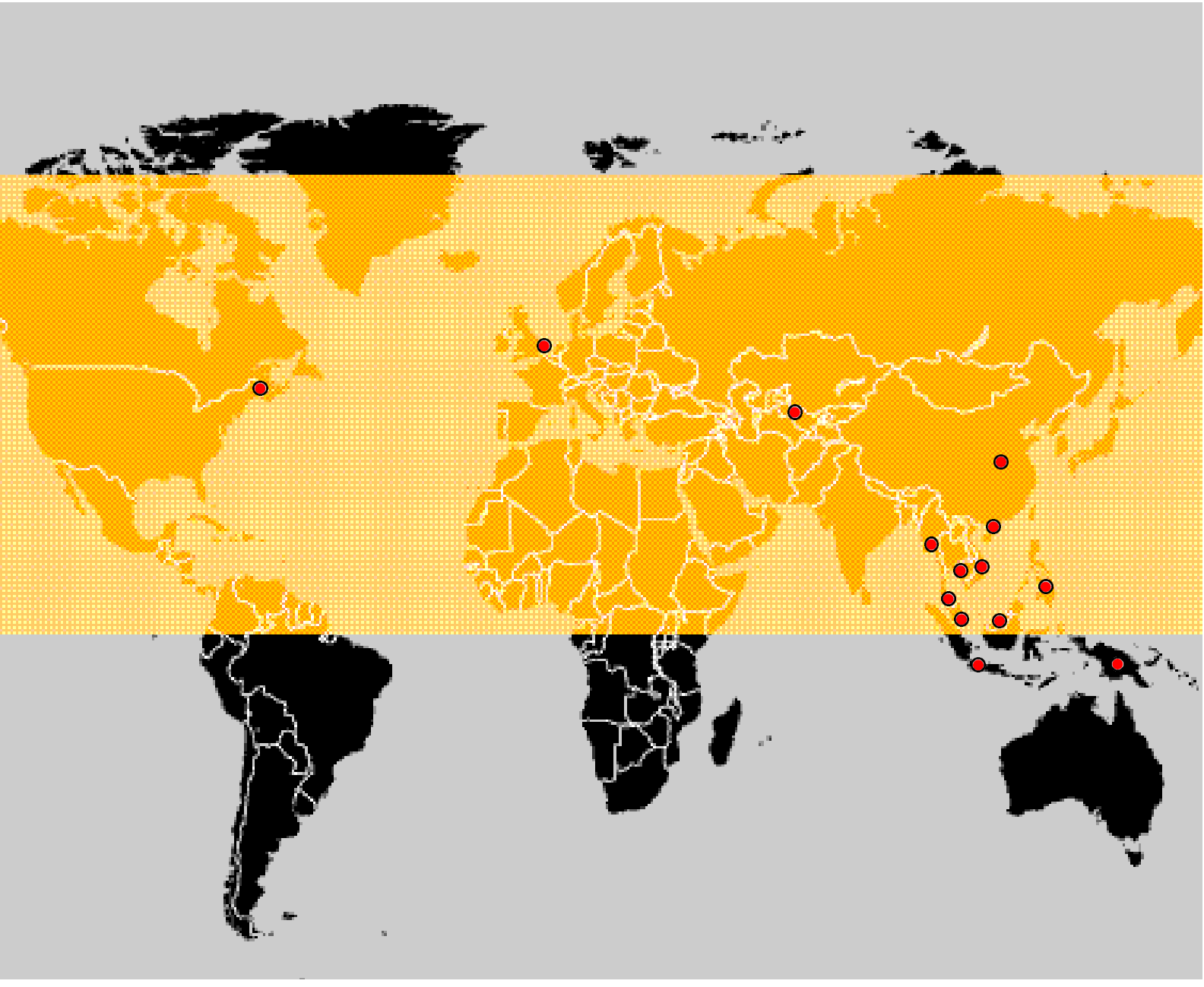
The auditors' reports on the accounts of the subsidiary companies do not contain any qualification or any comments made under subsection (3) of section 174 of the Act.

SALLEH, LEONG, AZLAN & CO.
AF: 0010
Public Accountants

RAJA NAZUDDIN BIN RAJA MOHD. NORDIN ALHAJ
666/3/01(J/PH)
Partner of the Firm

Kuala Lumpur,
August 29, 2000

“Success in a global market requires one to identify opportunities and then act quickly. With our extensive network, experience, technological skills and financial strength, we work together to deliver the best to our customers wherever their business takes them.”



“Maybank’s international network allows the Group to serve many of our customers who have regional and international operations and investments”.

Maybank Offices Worldwide

Maybank

Malaysia
- 265 Branches

Singapore
- 22 Branches

Brunei Darussalam
- 3 Branches

Hong Kong
- 1 Branch

United Kingdom
- 1 Branch

United States of America
- 1 Branch

Cambodia
- 1 Branch

Vietnam
- 1 Branch and 1 Representative Office

Uzbekistan
- 1 Representative Office

People's Republic of China
- 1 Representative Office

Myanmar
- 1 Representative Office

Maybank Group Network

Aseambankers Malaysia Berhad
- 1 Branch

Aseam Credit Sdn Bhd
- 2 Branches

Aseamlease Bhd
- 2 Branches

Mayban Assurance Berhad
- 20 Branches

Mayban Discount Bhd
- 1 Branch

Mayban Finance Bhd
- 101 Branches

Mayban Futures Sdn Bhd
- 1 Branch

Mayban International Trust (Labuan) Bhd
- 1 Branch

Maybank International (L) Ltd
- 1 Branch

Maybank (PNG) Ltd (Papua New Guinea)
- 2 Branches

Mayban Life Assurance Bhd
- 1 Branch

Mayban Management Sdn Bhd
- 1 Branch

Mayban Property Trust Management Bhd
- 1 Branch

Mayban Securities Bhd
- 1 Branch

Mayban Trustees Bhd
- 1 Branch

Mayban Ventures Sdn Bhd
- 1 Branch

Mayban Investment Management Sdn Bhd
- 1 Branch

Maybank Philippines Inc (Philippines)
- 59 branches

PT. Bank MayBank Nusa International (Indonesia)
- 1 Branch

Group Corporate Structure

Banking	• Maybank • Maybank (PNG) Ltd • Maybank Philippines Incorporated • PT. BANK MAYBANK NUSA INTERNATIONAL • Maybank International (L) Ltd
Finance	• Mayban Finance Bhd • Aseamlease Bhd • Aseam Credit Sdn Bhd
Insurance	• Mayban Assurance Bhd • Mayban Life Assurance Bhd • Mayban Life International (Labuan) Ltd • UMBC Insurans Bhd
Asset Management/ Trustees/Custody	• Mayban Property Trust Management Bhd • Mayban Management Bhd • Mayban Investment Management Sdn Bhd • Mayban International Trust (Labuan) Bhd • Mayban Offshore Corporate Services (Labuan) Sdn Bhd • Mayban Ventures Sdn Bhd • Mayban Venture Capital Co. Sdn Bhd • Mayban-JAIC Capital Management Sdn Bhd • Philmay Property Incorporated • RPB Venture Capital Corporation • Mayban Trustees Bhd
Investment Banking	• Aseambankers Malaysia Bhd • Mayban Securities Sdn Bhd • Mayban Discount Bhd • Mayban Futures Sdn Bhd

Group Directory

Commercial Banking

1. Maybank
   14th Floor, Menara Maybank
   100, Jalan Tun Perak
   50050 Kuala Lumpur

2. P.T. BANK MAYBANK NUSA INTERNATIONAL
   BCD Tower Lt. 17
   Jalan Jend. Sudirman Kav. 26
   Jakarta 12920, Indonesia

3. Maybank Philippines Incorporated
   Legaspi Towers 300
   Roxas Boulevard
   Manila, Philippines

Merchant Banking

4. Aseambankers Malaysia Bhd
   33rd Floor, Menara Maybank
   100, Jalan Tun Perak
   50050 Kuala Lumpur

Offshore Banking

5. Maybank International (L) Ltd
   Lot B, Level 16,
   Main Office Tower
   Labuan Financial Park
   Jalan Merdeka, 87000
   Wilayah Persekutuan Labuan

Banking And Financial Services

6. Maybank (PNG) Ltd
   Corner Waigani Road/
   Islander Drive
   P.O. Box 882
   Waigani,
   National Capital District
   Papua New Guinea

Finance

7. Mayban Finance Bhd
   3rd Floor
   1, Medan Tuanku Satu
   50300 Kuala Lumpur

General Insurance

8. Mayban Assurance Bhd
   Ground Floor
   Bangunan Mayban Assurance
   27, Lorong Medan Tuanku Satu
   50300 Kuala Lumpur

9. UMBC Insurans Bhd
   Ground Floor
   Bangunan Mayban Assurance
   27, Lorong Medan Tuanku Satu
   50300 Kuala Lumpur

Life Insurance

10. Mayban Life Assurance Bhd
    26th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

11. Mayban Life International (Labuan) Ltd
    Lot B, Level 16,
    Main Office Tower
    Labuan Financial Park
    Jalan Merdeka, 87000
    Wilayah Persekutuan Labuan

Venture Capital

12. Mayban Ventures Sdn Bhd
    26th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

13. Mayban Venture Capital Co. Sdn Bhd
    26th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

14. RPB Venture Capital Corporation
    Legaspi Towers 300
    Roxas Boulevard
    Manila, Philippines

Stockbroking

15. Mayban Securities Sdn Bhd
    30th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Leasing & Hire Purchase

16. Aseamlease Bhd
    38th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Hire Purchase

17. Aseam Credit Sdn Bhd
    38th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Discount House

18. Mayban Discount Bhd
    31st Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Property Trust Fund Management

19. Mayban Property Trust Management Bhd
    28th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Unit Trust Fund Management

20. Mayban Management Bhd
    26th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Asset Management

21. Mayban Investment Management Sdn Bhd
    34th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Property Holding

22. Philmay Property Incorporated
    Legaspi Towers 300
    Roxas Boulevard
    Manila, Philippines

Futures Broking

23. Mayban Futures Sdn Bhd
    44th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Trustee Services

24. Mayban International Trust (Labuan) Bhd
    Lot B, Level 16,
    Main Office Tower
    Labuan Financial Park
    Jalan Merdeka, 87000
    Wilayah Persekutuan Labuan

25. Mayban Trustees Bhd
    34th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Investment Advisory

26. Mayban-JAIC Capital Management Sdn Bhd
    26th Floor, Menara Maybank
    100, Jalan Tun Perak
    50050 Kuala Lumpur

Provision Of Corporate Directorship And Secretaryship

27. Mayban Offshore Corporate Services (Labuan) Sdn Bhd
    Lot B, Level 16,
    Main Office Tower
    Labuan Financial Park
    Jalan Merdeka, 87000
    Wilayah Persekutuan Labuan

Properties Owned By Maybank Group

Area	No. of Properties Freehold	Leasehold	Land Area (sq.m)	Book Value as at 30.06.00
Maybank				
Kuala Lumpur	13	5	44,304.75	205,135,366.64
Johor Darul Takzim	16	9	15,861.00	45,404,759.29
Kedah Darul Aman	10	6	7,577.66	9,911,136.57
Kelantan Darul Naim	1	6	2,846.00	2,697,501.26
Melaka	1	5	3,670.00	6,780,698.16
Negeri Sembilan Darul Khusus	8	3	17,228.00	6,154,169.81
Pahang Darul Makmur	6	18	22,838.00	17,889,752.91
Perak Darul Ridzuan	14	9	14,108.65	18,320,981.66
Perlis Indera Kayangan	1	2	1,287.00	1,952,212.00
Pulau Pinang	10	4	11,328.74	23,434,642.09
Sabah	-	28	22,694.00	27,208,954.15
Sarawak	3	15	11,542.40	15,337,292.57
Selangor Darul Ehsan	16	14	104,052.00	87,616,956.64
Terengganu Darul Iman	2	3	2,326.00	4,203,879.38
Singapore	12	10	23,411.00	S$ 30,252,209.84
Hong Kong	-	2	193.00	HK$ 1,830,040.14
London	-	7	695.00	599,462.02
Maybank International (L) Ltd				
Wilayah Persekutuan Labuan	3	2	1,090.11	USD 351,676.39
Mayban Finance Berhad				
Kuala Lumpur	3	9	3,242.79	80,173,957.36
Johor Darul Takzim	13	1	3,192.87	12,552,033.42
Kedah Darul Aman	2	2	1,650.72	2,576,570.36
Kelantan Darul Naim	-	1	298.00	1,193,308.25
Melaka	1	3	799.46	2,455,746.61
Negeri Sembilan Darul Khusus	5	2	3,061.27	2,188,422.81
Pahang Darul Makmur	5	-	1,009.48	2,496,014.34
Perak Darul Ridzuan	6	-	1,514.10	2,838,769.18
Perlis Indera Kayangan	-	1	188.00	307,827.23
Pulau Pinang	5	1	1,549.26	8,098,681.89
Sabah	-	7	1,335.59	5,814,194.18
Sarawak	3	5	1,779.70	6,160,615.19
Selangor Darul Ehsan	9	5	4,001.48	19,669,465.52
Terengganu Darul Iman	5	-	2,986.00	1,981,723.55
Mayban Assurance Berhad				
Kuala Lumpur	-	1	473.43	7,398,898.00
Pahang Darul Makmur	1	-	185.80	358,121.00
Kedah Darul Aman	1	-	120.00	407,019.00
Perlis Indera Kayangan	-	1	130.00	172,274.00
Melaka	-	1	139.00	240,352.00
Sarawak	1	-	115.50	482,622.00
Selangor Darul Ehsan	-	1	143.00	220,392.00
Sabah	-	1	186.00	961,573.00
Mayban Discount Berhad				
Negeri Sembilan	1	-	701.30	174,703.11
Pahang Darul Makmur	1	-	98.90	202,207.78
Aseambankers Malaysia Berhad				
Negeri Sembilan Darul Khusus	-	1	219.25	398,991.17
Pahang Darul Makmur	-	1	126.30	237,791.23
Pulau Pinang	1	-	204.20	226,451.24
Mayban Life Assurance Berhad				
Negeri Sembilan Darul Khusus	1	-	148.60	300,000.00
Mayban Securities Sdn Bhd				
Negeri Sembilan Darul Khusus	1	-	372.77	221,316.67

Analysis Of Shareholdings as at September 4, 2000

Authorised Share Capital : 4,000,000,000
Paid-Up Share Capital : 2,342,051,414
Class of Shares : Ordinary Share of RM 1 each
Voting Right : 1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 500	4,994	15.76	1,319,056	0.05
500 - 5,000	19,321	60.99	37,652,971	1.61
5,001 - 10,000	3,021	9.54	23,835,759	1.02
10,001 - 100,000	3,404	10.74	108,939,846	4.65
100,001 - 1,000,000	827	2.61	247,744,495	10.58
Above 1,000,000	113	0.36	1,922,559,287	82.09
Total	**31,680**	**100.00**	**2,342,051,414**	**100.00**

Substantial Shareholders

No.	Name of Shareholders	No. of Shares Held	% of Shares
1.	Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Bumiputera	746,642,383	31.88
2.	Permodalan Nasional Berhad	432,252,991	18.46
3.	Employees Provident Fund Board	123,883,766	5.29
4.	Khazanah Nasional Berhad	120,741,400	5.15
5.	Lembaga Kemajuan Tanah Persekutuan Felda	67,231,150	2.87

Top Twenty Shareholders

No.	Name of Shareholders	No. of Shares Held	% of Shares
1.	Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Bumiputera	746,642,383	31.88
2.	Permodalan Nasional Berhad	432,252,991	18.46
3.	Employees Provident Fund Board	123,883,766	5.29
4.	Khazanah Nasional Berhad	120,741,400	5.15
5.	Lembaga Kemajuan Tanah Persekutuan Felda	67,231,150	2.87
6.	Cartaban Nominees (Asing) Sdn Bhd A/C State Street Bank & Trust Co. Fund GB01 A/C Harbor International Fund	30,314,000	1.29
7.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	27,332,600	1.17
8.	Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Nasional	22,416,600	0.96
9.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020	19,866,400	0.85
10.	Chase Malaysia Nominees (Asing) Sdn Bhd Abu Dhabi Investment Authority	19,392,240	0.83
11.	Chase Malaysia Nominees (Asing) Sdn Bhd Emerging Markets Growth Fund	18,155,400	0.78
12.	Botly Nominees (Asing) Sdn Bhd Fleet Investments Management Limited	17,000,000	0.73
13.	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance Malaysia Berhad for Malaysia Life Fund	15,989,800	0.68
14.	Tasec Nominees (Asing) Sdn Bhd Meespierson Asia Limited for Savern Finance Limited	11,100,000	0.47
15.	Pertubuhan Keselamatan Sosial	10,457,500	0.45
16.	Tasec Nominees (Asing) Sdn Bhd TA Securities HK Ltd for Jeffrey Smith	7,590,000	0.32
17.	HSBC Nominees (Asing) Sdn Bhd HSBC Guyerzeller For Asia Investment Corporation B.V.I	7,503,200	0.32
18.	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Mit Pacific Fund RBSTB as Tstee	7,078,000	0.30
19.	Chase Malaysia Nominees (Asing) Sdn Bhd IBJ Bank & Trust Company For The Schroder Pacific Emerging Markets Funds	6,452,700	0.28
20.	Tasec Nominees (Asing) Sdn Bhd TA Securities HK Ltd For Delroy Investment Holdings	6,391,200	0.27
	Total	**1,717,791,330**	**73.35**

Changes In Share Capital

Authorised Share Capital

The present authorised share capital of the Bank is RM4,000,000,000 divided into 4,000,000,000 ordinary shares of RM1.00 each. Detail of changes in its authorised share capital since its incorporation are as follows:

Date	Increase in Authorised Share Capital	Total Authorised Share Capital
31/05/1960	20,000,000	20,000,000
06/09/1962	30,000,000	50,000,000
09/04/1977	150,000,000	200,000,000
17/01/1981	300,000,000	500,000,000
06/10/1990	500,000,000	1,000,000,000
09/10/1993	1,000,000,000	2,000,000,000
19/06/1998	2,000,000,000	4,000,000,000

Issued and Paid-Up Share Capital

Details of changes in the Bank's issued and paid-up share capital since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Total Issued and Paid-Up Capital RM'000
31/05/1960	1,500,000	5.00	Cash	7,500,000
18/05/1961	500,000	5.00	Cash	10,000,000
31/05/1962	1,000,000	5.00	Rights Issue (1:2) at RM7.00 per share	15,000,000
21/08/1968	1,500,000	5.00	Rights Issue (1:2) at RM7.00 per share	22,500,000
04/01/1971	22,500,000	1.00*	Rights Issue (1:1) at RM1.50 per share	45,000,000
06/05/1977	15,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:3)	60,000,000
23/06/1977	30,000,000	1.00	Rights Issue (1:2) at RM3.00 per share	90,000,000
21/02/1981	30,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:3)	120,000,000
10/04/1981	60,000,000	1.00	Rights Issue (1:2) at RM4.00 per share	180,000,000
14/11/1984	45,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:4)	225,000,000
28/12/1984	45,000,000	1.00	Rights Issue (1:4) at RM6.00 per share	270,000,000
30/11/1985	68,249	1.00	Conversion of Unsecured Notes	270,068,249
15/11/1986	9,199,999	1.00	Issued in exchange for purchase of Kota Discount Berhad (now known as Mayban Discount Berhad)	279,268,248
01/12/1986	10,550	1.00	Conversion of Unsecured Notes	279,278,798
29/07/1987 to 20/10/1987	90,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	279,368,798
30/11/1987	11,916	1.00	Conversion of Unsecured Notes	279,380,714
08/06/1988	27,938,071	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:10)	307,318,785
30/11/1988	10,725	1.00	Conversion of Unsecured Notes	307,329,510
16/03/1989 to 21/06/1989	9,198,206	1.00	Exchange for Kwong Yik Bank Berhad ("KYBB") shares	316,527,716

11/07/1989 to 23/11/1989	7,555,900	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	324,083,616
30/11/1989	46,174,316	1.00	Conversion of Unsecured Notes	370,257,932
01/12/1989 to 24/10/1990	4,508,900	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	374,766,832
16/11/1990	187,383,416	1.00	Capitalisation of Share Premium (Bonus Issue 1:2)	562,150,248
27/11/1990	11,500	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	562,161,798
30/11/1990	280,497	1.00	Conversion of Unsecured Notes	562,442,295
03/01/1991	3,300	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	562,445,595
03/01/1991	188,991,002	1.00	Rights Issue (1:2) at RM5.00 per share	751,436,597
04/01/1991	4,950	1.00	Rights Issue (1:2) upon ESOS at RM5.00 per share	751,441,547
25/01/1991 to 28/11/1991	726,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	752,167,547
30/11/1991	35,197	1.00	Conversion of Unsecured Notes	752,202,744
11/12/1991 to 20/05/1992	5,566,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	757,768,744
30/11/1992 to 30/11/1993	3,153,442	1.00	Conversion of Unsecured Notes	760,922,186
18/01/1994	380,461,093	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:2)	1,141,383,279
29/12/1994	2,030,428	1.00	Conversion of Unsecured Notes	1,143,413,707
19/06/1998	1,143,413,707	1.00	Capitalisation of Share Premium and Retained Profit Account (Bonus Issue 1:1)	2,286,827,414
11/09/1998 to 24/08/2000	55,224,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	2,342,051,414

* The par value of the Bank's shares was changed from RM5.00 to RM1.00 on November 25, 1968

Annexure A

PNB

Permodalan Nasional Berhad
(38218-X)

Written Nomination of Auditor

September 19, 2000

The Chairman
Board of Directors of Maybank
14th Floor, Corporate Services
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

We, Permodalan Nasional Berhad being a member of the Company, hereby give notice, pursuant to Section 172 (11) of the Companies Act, 1965 of our nomination of Messrs. Arthur Andersen & Co. as External Auditors of the Company in place of the retiring Auditors, Messrs. Salleh, Leong, Azlan & Co. and of our intention to propose the following Ordinary Resolution at the forthcoming Annual General Meeting of the Company:

RESOLUTION

"That Messrs Arthur Andersen & Co., having consented, be and are hereby appointed External Auditors of the Company in place of the retiring Auditors, Messrs. Salleh, Leong, Azlan & Co., to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration."

PERMODALAN NASIONAL BERHAD

Director

Secretary

201-A, Jalan Tun Razak, P.O. Box 50724 Kaula Lumpur.
Tel: 03-213 5100 Fax: 03-261 8259

Form Of Proxy
For The 40th Annual General Meeting

I/We _____
(Full Name In Capital)

of _____
(Full Address)

being a Member/Members of Malayan Banking Berhad (3813-K), hereby appoint _____

_____
(Full Name In Capital)

of _____
(Full Address)

or failing him/her _____
(Full Name In Capital)

of _____
(Full Address)

as my/our proxy to vote for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on Saturday, October 28, 2000 at 11.30 a.m. and at any adjournment thereof.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

Resolution No.	Resolution	For	Against
1.	Receive the Reports and Financial Statements		
2.	Declaration of Final Dividend		
3.	Re-election of Raja Tan Sri Muhammad Alias bin Raja Muhd. Ali		
4.	Re-election of Dato' Ismail Shahudin		
5.	Re-election of Datuk Abdul Rahman bin Mohd Ramli		
6.	Re-appointment of Dato' Richard Ho Ung Hun		
7.	Appointment of Messrs Arthur Andersen & Co as Auditors		
8.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		

Dated this _____ day of October, 2000

Number of shares held	
Telephone No.	

_____
Signature of Shareholder.

Notes:

1. A Member entitled to attend and vote at the 40th AGM is entitled to appoint a proxy to attend and, on a show of hands or on a poll, to vote instead of him. A proxy shall be a Member of the Company, an Advocate, an approved Company Auditor or a person approved by the Registrar of Companies.

2. Form of Proxy of a corporation shall be given under its Common Seal.

3. Duly completed Form of Proxy must be deposited at 14th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur, not less than forty-eight (48) hours before the time fixed for the AGM. In view of the fact that October 26, 2000 is a public holiday, the last day for lodgement of the Form of Proxy will be Wednesday, October 25, 2000 at 5.15 p.m.

4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

5. For scripless, only members registered in the Record of Depositors on or before 12.30 p.m. on October 24, 2000 shall be eligible to attend the AGM.

Stamp

Corporate Services Department
Maybank
14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia